



COMMUNITY DEVELOPMENT COMMISSION
of the County of Los Angeles

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Gloria Molina
Mark Ridley-Thomas
Zev Yaroslavsky
Don Knabe
Michael D. Antonovich
Commissioners

Sean Rogan
Executive Director

ADOPTED

BOARD OF SUPERVISORS
COUNTY OF LOS ANGELES

June 2, 2009

25

JUNE 2, 2009

The Honorable Board of Supervisors
County of Los Angeles
383 Kenneth Hahn Hall of Administration
500 West Temple Street
Los Angeles, CA 90012

Sachi A. Hamai
SACHI A. HAMAI
EXECUTIVE OFFICER

Dear Supervisors:

**APPROVE AN AMENDMENT TO THE 2008-2009 ACTION PLAN TO INCORPORATE
COMMUNITY DEVELOPMENT BLOCK GRANT RECOVERY PROGRAM FUNDS
(ALL DISTRICTS) (3 VOTE)**

SUBJECT

This letter recommends approval of an Amendment to the Fiscal Year 2008-2009 Action Plan for the Los Angeles Urban County (County) to enable the County to receive and administer the U.S. Department of Housing and Urban Development's Community Development Block Grant Recovery (CDBG-R) program funds under Title XII of Division A of the American Recovery and Reinvestment Act of 2009. CDBG-R funds will be used to carry out, on an expedited basis, eligible activities under the existing Community Development Block Grant programs within the 47 participating cities and unincorporated areas of the County.

This letter relates to another item on the agenda of the Board of Commissioners of the Community Development Commission, for acceptance and administration of CDBG-R funds.

IT IS RECOMMENDED THAT YOUR BOARD:

1. Find that the Amendment to the Action Plan for Fiscal Year 2008-2009 is not subject to the California Environmental Quality Act (CEQA) because it is not defined as a project under CEQA and does not have the potential for causing a significant effect on the environment.

2. Approve an Amendment to the Action Plan for Fiscal Year 2008-2009 to enable the County to receive and administer an estimated \$8,080,528 in funds from the U.S. Department of Housing and Urban Development's Community Development Block Grant Recovery program, to carry out, on an expedited basis, eligible activities within the 47 participating cities and unincorporated areas of the County.
3. Approve the transfer of \$8,080,528 to the Community Development Commission of the County of Los Angeles (Commission) and authorize the Commission to administer and serve as the agent of the County for administration of the allocated funds.

PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION

On May 27, 2008, your Board approved the 2008-2009 Action Plan to receive CDBG, HOME Investment Partnerships Program, and Emergency Shelter Grant funds from U.S. Department of Housing and Urban Development (HUD), and to carry out essential housing and community development activities funded by these programs.

An Amendment to the Action Plan is required to receive and administer \$8,080,528 in funds from HUD's new CDBG-R program. The proposed CDBG-R funds are consistent with and complement the purposes set forth in the Action Plan.

FISCAL IMPACT/FINANCING

There is no impact on the County general fund. CDBG-R funds in the amount of \$8,080,528 will be transferred to the Commission for program administration.

FACTS AND PROVISIONS/LEGAL REQUIREMENTS

On February 17, 2009, Congress enacted the American Recovery and Reinvestment Act of 2009 (Recovery Act). The Recovery Act appropriated \$1 billion in CDBG funds to states and local governments to carry out, on an expedited basis, eligible activities under the CDBG program. The grant program authorized under Title XII of Division A of the Recovery Act is commonly referred to as the CDBG-R program. CDBG-R funds will be distributed to grantees that received CDBG funding in Fiscal Year 2008-2009. However, because the funds will not be released by HUD until August 2009, they will be incorporated into the Commission's Fiscal Year 2009-2010 budget.

Funding available under the Recovery Act has clear purposes – to stimulate the economy through measures that modernize the nation's infrastructure, improve energy efficiency, and expand educational opportunities and access to health care. HUD desires that

CDBG-R grantees carefully evaluate proposed projects for consistency with the overarching goals of the Recovery Act, especially the above-cited purposes. To this extent, HUD strongly urges grantees to use CDBG-R funds for hard development costs associated with infrastructure activities that provide basic services to residents or activities that promote energy efficiency and conservation through rehabilitation or retrofitting of existing buildings. HUD also strongly suggests that grantees incorporate consideration of the public perception of the intent of the Recovery Act in identifying and selecting projects for CDBG-R funding.

HUD requires that no less than 70 percent of CDBG-R funds are expended for activities and programs that benefit low- and moderate-income persons. HUD has also imposed a grant period and expenditure deadline of September 30, 2012, to ensure that the use of CDBG-R funds is expedited. Up to 10 percent of the CDBG-R grant may be used for general administration and planning activities. No more than 15 percent of CDBG-R funds shall be expended for eligible public service activities exclusive of any other funds received by the grantee.

Based on HUD's allocation formula, the County will receive a total of \$8,080,528, of which \$103,366 was allocated to the City of Cerritos as a joint applicant with the County of Los Angeles. Each grantee receiving an allocation of CDBG-R funds, including the County, must submit an Action Plan amendment to HUD by June 5, 2009 describing the intended use of the CDBG-R funds. The Amendment to the Action Plan is attached to this Board letter.

ENVIRONMENTAL DOCUMENTATION

The Amendment to the Action Plan is exempt from the provisions of the National Environmental Policy Act pursuant to 24 Code of Federal Regulations, Part 58, Section 58.34 (a)(1), because it is a planning document and does not involve activities that will alter existing environmental conditions. The Action Plan is not subject to the provisions of CEQA, pursuant to State CEQA Guidelines 15060(c)(3) and 15378, because it is not defined as a project under CEQA and does not have the potential for causing a significant effect on the environment.

Each program within the Action Plan will be reviewed for environmental impact on a project-by-project basis before funding is released.

Honorable Board of Supervisors
June 2, 2009
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IMPACT ON CURRENT PROJECTS

The CDBG-R funded projects incorporated into the amended Action Plan will benefit low-income residents of the unincorporated County and participating cities.

Respectfully submitted,

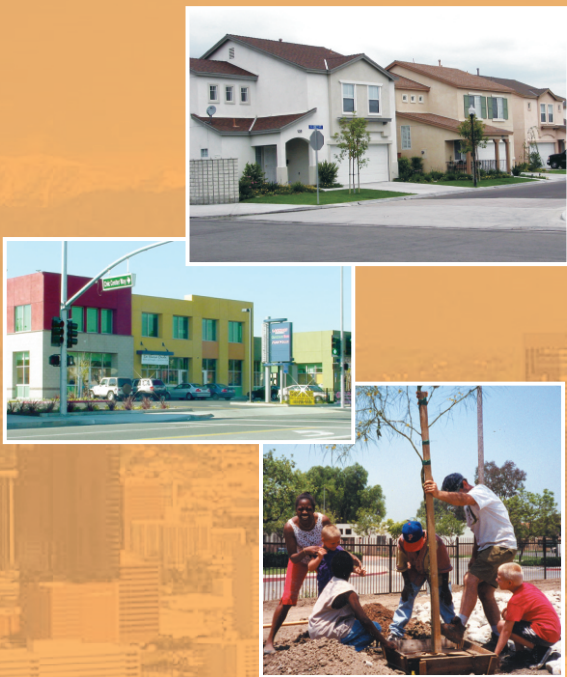
for Bobbette A. Glover
SEAN ROGAN
Executive Director

cc: Chief Executive Officer
Acting County Counsel
Executive Officer, Board of Supervisors

Attachment

LOS ANGELES URBAN COUNTY
2008-2009
*Amendment to the
One - Year Action Plan*

CDBG - R



2008-09

2009-10

2010-11

2011-12

2012-13

2008-2013
HOUSING & COMMUNITY DEVELOPMENT
Consolidated Plan
FOR THE LOS ANGELES URBAN COUNTY



**COMMUNITY DEVELOPMENT COMMISSION
OF THE COUNTY OF LOS ANGELES**



BOARD OF SUPERVISORS

COUNTY OF LOS ANGELES



GLORIA MOLINA
FIRST SUPERVISORIAL DISTRICT

MARK RIDLEY-THOMAS
SECOND SUPERVISORIAL DISTRICT

ZEV YAROSLAVSKY
THIRD SUPERVISORIAL DISTRICT

DON KNABE
FOURTH SUPERVISORIAL DISTRICT

MICHAEL D. ANTONOVICH
FIFTH SUPERVISORIAL DISTRICT



We Build Better Lives
& Better Neighborhoods



**LOS ANGELES URBAN COUNTY 2008-2009
AMENDMENT TO THE
ONE-YEAR ACTION PLAN**

CDBG-R PROGRAM

DRAFT

May 20, 2009

**COMMUNITY DEVELOPMENT COMMISSION
OF THE COUNTY OF LOS ANGELES**

Sean Rogan
Executive Director

Application for Federal Assistance SF-424

Version 02

*1. Type of Submission:

☐ Preapplication☒ Application☐ Changed/Corrected Application

*2. Type of Application

☒ New☐ Continuation☐ Revision

* If Revision, select appropriate letter(s)

*Other (Specify)

3. Date Received:

6/5/09

4. Applicant Identifier:

Community Development Commission

5a. Federal Entity Identifier:

B-08-UC-06-0505

*5b. Federal Award Identifier:

N/A

State Use Only:

6. Date Received by State: N/A

7. State Application Identifier: N/A

8. APPLICANT INFORMATION:

*a. Legal Name: County of Los Angeles

*b. Employer/Taxpayer Identification Number (EIN/TIN):

95-3777596

*c. Organizational DUNS:

961608163

d. Address:*Street 1: 2 Coral Circle

Street 2: _____

*City: Monterey ParkCounty: Los Angeles*State: California

Province: _____

*Country: United States*Zip / Postal Code 91755**e. Organizational Unit:**

Department Name:

Community Development Commission

Division Name:

CDBG Division

f. Name and contact information of person to be contacted on matters involving this application:Prefix: Ms.*First Name: Linda

Middle Name: _____

*Last Name: Jenkins

Suffix: _____

Title: Manager

Organizational Affiliation:

CDBG Division

*Telephone Number: (323) 890-7168

Fax Number: (323) 890-8595

*Email: Linda.Jenkins@lacdc.org

Application for Federal Assistance SF-424

Version 02

***9. Type of Applicant 1: Select Applicant Type:**

B.County Government

Type of Applicant 2: Select Applicant Type:

Type of Applicant 3: Select Applicant Type:

*Other (Specify)

10 Name of Federal Agency:*U.S. Department of Housing and Urban Development****11. Catalog of Federal Domestic Assistance Number:**14.253

CFDA Title:

Community Development Block Grant - Recovery (CDBG-R)***12 Funding Opportunity Number:**N/A

*Title:

N/A**13. Competition Identification Number:**N/A

Title:

N/A**14. Areas Affected by Project (Cities, Counties, States, etc.):****Los Angeles County*****15. Descriptive Title of Applicant's Project:**

Housing and Community Development projects and funding levels for primarily low- and moderate-income Los Angeles Urban County residents, including participating cities. All projects are CDBG-R eligible. Estimated funding includes \$7,977,162 in New funding and \$103,366 received as a joint applicant with the City of Cerritos.

Application for Federal Assistance SF-424

Version 02

16. Congressional Districts Of:

*a. Applicant: 22, 25-39, 42, 46

*b. Program/Project: 22, 25-39, 42, 46

17. Proposed Project:

*a. Start Date: 8/1/09 (projected)

*b. End Date: 9/30/12

18. Estimated Funding (\$):

*a. Federal	_____	\$8,080,528
*b. Applicant	_____	
*c. State	_____	
*d. Local	_____	
*e. Other	_____	
*f. Program Income	_____	
*g. TOTAL	_____	\$8,080,528

***19. Is Application Subject to Review By State Under Executive Order 12372 Process?**

- ☐ a. This application was made available to the State under the Executive Order 12372 Process for review on _____
- ☐ b. Program is subject to E.O. 12372 but has not been selected by the State for review.
- ☒ c. Program is not covered by E. O. 12372

***20. Is the Applicant Delinquent On Any Federal Debt? (If "Yes", provide explanation.)**

☐ Yes ☒ No

21. *By signing this application, I certify (1) to the statements contained in the list of certifications** and (2) that the statements herein are true, complete and accurate to the best of my knowledge. I also provide the required assurances** and agree to comply with any resulting terms if I accept an award. I am aware that any false, fictitious, or fraudulent statements or claims may subject me to criminal, civil, or administrative penalties. (U. S. Code, Title 218, Section 1001)

☒ ** I AGREE

** The list of certifications and assurances, or an internet site where you may obtain this list, is contained in the announcement or agency specific instructions

Authorized Representative:

Prefix: Mr. _____ *First Name: Sean _____

Middle Name: _____

*Last Name: Rogan _____

Suffix: _____

*Title: Executive Director

*Telephone Number: (323) 890-7400

Fax Number: (323) 890-8595

* Email: srogan@lacdc.org

*Signature of Authorized Representative:

*Date Signed: 6/3/09

Application for Federal Assistance SF-424

Version 02

***Applicant Federal Debt Delinquency Explanation**

The following should contain an explanation if the Applicant organization is delinquent of any Federal Debt.

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INSTRUCTIONS FOR THE SF-424

Public reporting burden for this collection of information is estimated to average 60 minutes per response, including time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. Send comments regarding the burden estimate or any other aspect of this collection of information, including suggestions for reducing this burden, to the Office of Management and Budget, Paperwork Reduction Project (0348-0043), Washington, DC 20503.

PLEASE DO NOT RETURN YOUR COMPLETED FORM TO THE OFFICE OF MANAGEMENT AND BUDGET. SEND IT TO THE ADDRESS PROVIDED BY THE SPONSORING AGENCY.

This is a standard form (including the continuation sheet) required for use as a cover sheet for submission of preapplications and applications and related information under discretionary programs. Some of the items are required and some are optional at the discretion of the applicant or the Federal agency (agency). Required items are identified with an asterisk on the form and are specified in the instructions below. In addition to the instructions provided below, applicants must consult agency instructions to determine specific requirements.

Item	Entry:	Item	Entry:
1.	Type of Submission: (Required): Select one type of submission in accordance with agency instructions. <ul style="list-style-type: none"> • Preapplication • Application • Changed/Corrected Application – If requested by the agency, check if this submission is to change or correct a previously submitted application. Unless requested by the agency, applicants may not use this to submit changes after the closing date. 	10.	Name Of Federal Agency: (Required) Enter the name of the Federal agency from which assistance is being requested with this application.
2.	Type of Application: (Required) Select one type of application in accordance with agency instructions. <ul style="list-style-type: none"> • New – An application that is being submitted to an agency for the first time. • Continuation – An extension for an additional funding/budget period for a project with a projected completion date. This can include renewals. • Revision – Any change in the Federal Government's financial obligation or contingent liability from an existing obligation. If a revision, enter the appropriate letter(s). More than one may be selected. If "Other" is selected, please specify in text box provided. <ul style="list-style-type: none"> A. Increase Award B. Decrease Award C. Increase Duration D. Decrease Duration E. Other (specify) 	11.	Catalog Of Federal Domestic Assistance Number/Title: Enter the Catalog of Federal Domestic Assistance number and title of the program under which assistance is requested, as found in the program announcement, if applicable.
3.	Date Received: Leave this field blank. This date will be assigned by the Federal agency.	12.	Funding Opportunity Number/Title: (Required) Enter the Funding Opportunity Number and title of the opportunity under which assistance is requested, as found in the program announcement.
4.	Applicant Identifier: Enter the entity identifier assigned by the Federal agency, if any, or applicant's control number, if applicable.	13.	Competition Identification Number/Title: Enter the Competition Identification Number and title of the competition under which assistance is requested, if applicable.
5a.	Federal Entity Identifier: Enter the number assigned to your organization by the Federal Agency, if any.	14.	Areas Affected By Project: List the areas or entities using the categories (e.g., cities, counties, states, etc.) specified in agency instructions. Use the continuation sheet to enter additional areas, if needed.
5b.	Federal Award Identifier: For new applications leave blank. For a continuation or revision to an existing award, enter the previously assigned Federal award identifier number. If a changed/corrected application, enter the Federal Identifier in accordance with agency instructions.	15.	Descriptive Title of Applicant's Project: (Required) Enter a brief descriptive title of the project. If appropriate, attach a map showing project location (e.g., construction or real property projects). For preapplications, attach a summary description of the project.
6.	Date Received by State: Leave this field blank. This date will be assigned by the State, if applicable.	16.	Congressional Districts Of: (Required) 16a. Enter the applicant's Congressional District, and 16b. Enter all District(s) affected by the program or project. Enter in the format: 2 characters State Abbreviation – 3 characters District Number, e.g., CA-005 for California 5 th district, CA-012 for California 12 th district, NC-103 for North Carolina's 103 rd district. <ul style="list-style-type: none"> • If all congressional districts in a state are affected, enter "all" for the district number, e.g., MD-all for all congressional districts in Maryland. • If nationwide, i.e. all districts within all states are affected, enter US-all. • If the program/project is outside the US, enter 00-000.
7.	State Application Identifier: Leave this field blank. This identifier will be assigned by the State, if applicable.	17.	Proposed Project Start and End Dates: (Required) Enter the proposed start date and end date of the project.
8.	Applicant Information: Enter the following in accordance with agency instructions: <ul style="list-style-type: none"> a. Legal Name: (Required): Enter the legal name of applicant that will undertake the assistance activity. This is the name that the organization has registered with the Central Contractor Registry. Information on registering with CCR may be obtained by visiting the Grants.gov website. b. Employer/Taxpayer Number (EIN/TIN): (Required): Enter the Employer or Taxpayer Identification Number (EIN or TIN) as assigned by the Internal Revenue Service. If your organization is not in the US, enter 44-4444444. c. Organizational DUNS: (Required) Enter the organization's DUNS or DUNS+4 number received from Dun and Bradstreet. Information on obtaining a DUNS number may be obtained by visiting the Grants.gov website. d. Address: Enter the complete address as follows: Street address (Line 1 required), City (Required), County, State (Required, if country is US), Province, Country (Required), Zip/Postal Code (Required, if country is US). e. Organizational Unit: Enter the name of the primary organizational unit (and department or division, if applicable) that will undertake the 	18.	Estimated Funding: (Required) Enter the amount requested or to be contributed during the first funding/budget period by each contributor. Value of in-kind contributions should be included on appropriate lines, as applicable. If the action will result in a dollar change to an existing award, indicate only the amount of the change. For decreases, enclose the amounts in parentheses.
		19.	Is Application Subject to Review by State Under Executive Order 12372 Process? Applicants should contact the State Single Point of Contact (SPOC) for Federal Executive Order 12372 to determine whether the application is subject to the

	assistance activity, if applicable.		State intergovernmental review process. Select the appropriate box. If "a." is selected, enter the date the application was submitted to the State																								
	f. Name and contact information of person to be contacted on matters involving this application: Enter the name (First and last name required), organizational affiliation (if affiliated with an organization other than the applicant organization), telephone number (Required), fax number, and email address (Required) of the person to contact on matters related to this application.	20.	Is the Applicant Delinquent on any Federal Debt? (Required) Select the appropriate box. This question applies to the applicant organization, not the person who signs as the authorized representative. Categories of debt include delinquent audit disallowances, loans and taxes. If yes, include an explanation on the continuation sheet.																								
9.	Type of Applicant: (Required) Select up to three applicant type(s) in accordance with agency instructions.	21.	Authorized Representative: (Required) To be signed and dated by the authorized representative of the applicant organization. Enter the name (First and last name required) title (Required), telephone number (Required), fax number, and email address (Required) of the person authorized to sign for the applicant. A copy of the governing body's authorization for you to sign this application as the official representative must be on file in the applicant's office. (Certain Federal agencies may require that this authorization be submitted as part of the application.)																								
	<table border="1"> <tr> <td>A. State Government</td><td>M. Nonprofit with 501C3 IRS Status (Other than Institution of Higher Education)</td></tr> <tr> <td>B. County Government</td><td>N. Nonprofit without 501C3 IRS Status (Other than Institution of Higher Education)</td></tr> <tr> <td>C. City or Township Government</td><td>O. Private Institution of Higher Education</td></tr> <tr> <td>D. Special District Government</td><td>P. Individual</td></tr> <tr> <td>E. Regional Organization</td><td>Q. For-Profit Organization (Other than Small Business)</td></tr> <tr> <td>F. U.S. Territory or Possession</td><td>R. Small Business</td></tr> <tr> <td>G. Independent School District</td><td>S. Hispanic-serving Institution</td></tr> <tr> <td>H. Public/State Controlled Institution of Higher Education</td><td>T. Historically Black Colleges and Universities (HBCUs)</td></tr> <tr> <td>I. Indian/Native American Tribal Government (Federally Recognized)</td><td>U. Tribally Controlled Colleges and Universities (TCCUs)</td></tr> <tr> <td>J. Indian/Native American Tribal Government (Other than Federally Recognized)</td><td>V. Alaska Native and Native Hawaiian Serving Institutions</td></tr> <tr> <td>K. Indian/Native American Tribally Designated Organization</td><td>W. Non-domestic (non-US) Entity</td></tr> <tr> <td>L. Public/Indian Housing Authority</td><td>X. Other (specify)</td></tr> </table>	A. State Government	M. Nonprofit with 501C3 IRS Status (Other than Institution of Higher Education)	B. County Government	N. Nonprofit without 501C3 IRS Status (Other than Institution of Higher Education)	C. City or Township Government	O. Private Institution of Higher Education	D. Special District Government	P. Individual	E. Regional Organization	Q. For-Profit Organization (Other than Small Business)	F. U.S. Territory or Possession	R. Small Business	G. Independent School District	S. Hispanic-serving Institution	H. Public/State Controlled Institution of Higher Education	T. Historically Black Colleges and Universities (HBCUs)	I. Indian/Native American Tribal Government (Federally Recognized)	U. Tribally Controlled Colleges and Universities (TCCUs)	J. Indian/Native American Tribal Government (Other than Federally Recognized)	V. Alaska Native and Native Hawaiian Serving Institutions	K. Indian/Native American Tribally Designated Organization	W. Non-domestic (non-US) Entity	L. Public/Indian Housing Authority	X. Other (specify)		
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Los Angeles Urban County
2008-2009
Amendment to the
One-Year Action Plan
CDBG-R Program

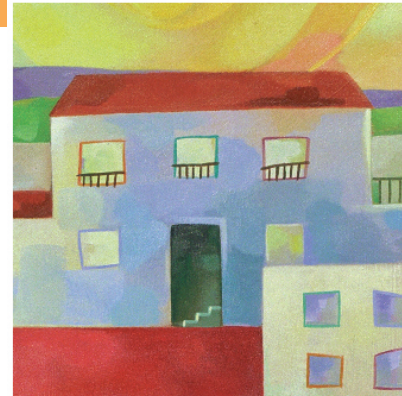
CDBG-R NARRATIVE

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APPENDICES

Appendix A: Certifications
Appendix B: CDBG-R Activity Data Spreadsheet
Appendix C: Public Notice, List of Publications, Citizen Comments
Appendix D: HUD CDBG-R Notice

CDBG-R Submission Template & Checklist



LOS ANGELES COUNTY

CDBG-R SUBMISSION TEMPLATE

& CHECKLIST

The American Recovery and Reinvestment Act of 2009 ("Recovery Act") was signed into law by President Obama on February 17, 2009. The Recovery Act awards \$1 billion in CDBG Recovery (CDBG-R) funds to be distributed to cities, counties, insular areas and states, of which \$10 million has been reserved by HUD for its administrative costs and \$10 million of which will be awarded to Indian tribes. Recipients of the remaining \$980 million of CDBG-R funds will be the approximately 1,200 jurisdictions that received CDBG funding in Fiscal Year 2008. This template sets forth the suggested format for grantees receiving funds from CDBG-R. A complete submission contains the information requested below, including:

- (1) The CDBG-R Substantial Amendment (template attached below)
- (2) Spreadsheet for Reporting Proposed CDBG-R Activities (see <http://www.hud.gov/recovery>)
- (3) Signed and Dated Certifications (see <http://www.hud.gov/recovery>)
- (4) Signed and Dated [SF-424](#).

Grantees should also attach a completed CDBG-R Substantial Amendment Checklist to ensure completeness and efficiency of review (attached below).

THE CDBG-R SUBSTANTIAL AMENDMENT

<p>Jurisdiction(s): County of Los Angeles</p> <p>Jurisdiction Web Address:</p> <ul style="list-style-type: none">• http://www.lacdc.org/CDCWebsite/CDBG/PlansReports.aspx?id=2520	<p>CDBG-R Contact Person: Linda Jenkins</p> <p>Address: 2 Coral Circle</p> <p>Telephone: (323) 890-7168</p> <p>Fax: (323) 890-8595</p> <p>Email: Linda.Jenkins@lacdc.org</p>
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ENSURING RESPONSIBLE SPENDING OF RECOVERY ACT FUNDS

Funding available under the Recovery Act has clear purposes – to stimulate the economy through measures that modernize the Nation’s infrastructure, improve energy efficiency, and expand educational opportunities and access to health care. HUD strongly urges grantees to use CDBG-R funds for hard development costs associated with infrastructure activities that provide basic services to residents or activities that promote energy efficiency and conservation through rehabilitation or retrofitting of existing buildings. While the full range of CDBG activities is available to grantees, the Department strongly suggests that grantees incorporate consideration of the public perception of the intent of the Recovery Act in identifying and selecting projects for CDBG-R funding.

INTRODUCTION

On February 17, 2009 the Title XII of the American Recovery and Reinvestment Act of 2009 (Public Law 111-005) was approved and appropriated \$1 billion to carry out the Community Development Block Grant (CDBG) program under Title I of the Housing and Community Development Act of 1974 on an expedited basis. The grant program under Title XII is commonly referred to as the CDBG Recovery (CDBG-R) program.

On May 3, 2009, the U.S. Department of Housing and Urban Development (HUD) released a Notice in the Federal Register (see Appendix E), entitled “Notice of Program Requirements for Community Development Block Grant Funding under the American Recovery and Reinvestment Act of 2009 (Recovery Act).” Prior to the release of this Notice but included therein, HUD announced funding allocations based on the 2008 CDBG formula which takes into account population, poverty, and overcrowded housing.

The Los Angeles Urban County (County) will receive \$8,080,528 in CDBG-R funding for 2008-2009, which includes \$7,977,162 in new funds and \$103,366 received as a joint applicant with the City of Cerritos.

The CDBG program enables local governments to undertake a wide range of activities intended to create suitable living environments, provide decent affordable housing and create economic opportunities, primarily for persons of low and moderate income.

The Recovery Act has clear purposes - to stimulate the economy through measures that modernize the Nation's infrastructure, improve energy efficiency, and expand educational opportunities and access to health care. Based on these purposes, HUD is strongly urging grantees to use CDBG-R funds for hard development costs associated with infrastructure activities that provide basic services to residents or activities that promote energy efficiency and conservation through rehabilitation or retrofitting of existing buildings.

Further, the Notice indicates that while grantees have the full range of CDBG eligible activities at their disposal for CDBG-R, they should primarily invest in economic development, housing, infrastructure, and other public facilities activities that will quickly spur further economic investment, increased energy efficiency, and job creation or retention. The Recovery Act also requires that recipients give priority to projects that can award contracts based on bids within 120 days of the grant agreement.

The County will consider the Recovery Act's clear purposes when selecting activities to be funded.

Urban County Program Description and Lead Agency

The Los Angeles Urban County Program includes the unincorporated areas of the County and 47 small cities, generally with population less than 50,000, which participate in the program. HUD awards CDBG; HOME Investment Partnerships (HOME); and Emergency Shelter Grant (ESG) programs, annually to entitlement jurisdictions such as the Los Angeles Urban County.

The Community Development Commission is the lead agency for the County that submits the Annual Action Plan as a requirement for participation in HUD's Urban County Program. The 2008-2009 Action Plan covers the first of the five (5) program years covered by the *2008-2013 Housing and Community Development Consolidated Plan for the Los Angeles Urban County*.

The *Los Angeles Urban County 2008-2009 One-Year Action Plan* contains the County's one-year plan to carry out housing and community development activities funded by CDBG, HOME, and ESG funds received in the 2008-2009 program year from HUD. The CDC administers the County's CDBG, and HOME programs and the Los Angeles Homeless Services Authority administers the ESG program for the CDC.

The CDC will also be the lead agency in administering the CDBG-R funding.

Substantial Amendment to the FY 2008-2009 Action Plan

In order to receive CDBG-R funding, HUD is requiring grantees, such as the Los Angeles Urban County to submit a substantial amendment to their FY 2008-2009 Action Plans. A substantial amendment is required by HUD because additional funding under the CDBG program is being allocated and, as such, the public must have an opportunity to comment on its use. The substantial amendment also serves as the application to HUD for the funding.

The substantial amendment/application must be submitted to HUD **by June 5, 2009**.

Summary of Citizen Participation Process

To encourage citizen participation in the preparation of the substantial amendment to the 2008-2009 Action Plan, the CDC took the following actions in accordance with CDBG-R requirements:

- Made the substantial amendment available at the CDC headquarters and posted it on the CDC website at <http://www.lacdc.org>, giving County residents 7 calendar days to review and comment on it (see Appendix C for public notice).
- A 7-day public notice will be published on May 25, 2008, in the legal section of the *Los Angeles Times* advertising that the substantial amendment is available for review from May 26, 2009 – June 2, 2009. The notice will also be published in several local newspapers with daily or weekly circulation (see Appendix C). The notice invites citizens to review the proposed substantial amendment to the Action Plan. Citizens are invited to submit written comments to the offices of the CDC by June 2, 2009. Comments received as well as responses to the comments will be included in Appendix C.
- In addition to making the substantial amendment available to the public for review, the Los Angeles County Board of Supervisors and Board of Commissioners of the CDC will consider the substantial amendment at a board meeting on June 2, 2009.

CDBG-R Eligible Activities

The Community Development Block Grant (CDBG) program enables local governments to undertake a wide range of activities intended to create suitable living environments, provide decent affordable housing and create economic opportunities, primarily for persons of low and moderate income. As mentioned above, grantees have the full range of CDBG eligible activities at their disposal for CDBG-R. However, they should primarily invest in economic development, housing, infrastructure, and other public facilities activities that will quickly spur further economic investment, increased energy efficiency, and job creation or retention. The Recovery Act also requires that recipients give priority to projects that can award contracts based on bids within 120 days of the grant agreement.

Categories of Eligible CDBG/CDBG-R Activities

The following categories of eligible activities are available to Los Angeles County in carrying out CDBG-R funding:

- Acquisition of Real Property
- Disposition
- Public Facilities and Improvements
- Clearance
- Public Services
- Interim Assistance
- Relocation
- Loss of Rental Income
- Privately-Owned Utilities

- Rehabilitation
- Construction of Housing
- Code Enforcement
- Special Economic Development Activities
- Microenterprise Assistance
- Special Activities by CDBOs
- Homeownership Assistance
- Planning and Capacity Building
- Program Administrative Costs

Ineligible Activities

- Generally, if an activity is ineligible under CDBG, it is ineligible under CDBG-R. Examples include, but are not limited to:
 - Construction of Buildings for the General Conduct of Government
 - Political Activities
 - Purchase of Equipment
 - Operating and Maintenance Expenses
- Not eligible under CDBG-R pursuant to the Recovery Act:
 - Swimming Pools
 - Golf Courses
 - Zoos
 - Aquariums
 - Casinos and other Gambling Establishments

Los Angeles Urban County Distribution and Planned Use of CDBG-R Funding

The CDC has notified its participating jurisdictions of the availability of CDBG-R funding and has requested that they identify projects that can meet the requirements and purposes of the Recovery Act as well as those that can award contracts based on bids within 120 days of when the County receives the funding from HUD.

The following message excerpt was sent to our participating cities outlining the method to distribute the funding:

“HUD is urging grantees and sub-grantees to fund hard development costs associated with infrastructure activities that provide basic services to residents or activities that promote energy efficiency and conservation through rehabilitation or retrofitting of existing buildings. HUD expects that we will create jobs through the construction and other activities, as this was a strong emphasis in the Recovery Act. While grantee may fund the full range of CDBG eligible activities, Congress clearly intends that the CDBG-R funds should primarily be invested in economic development, housing, infrastructure and other public facilities that will quickly spur further economic investment, increase energy efficiency, and job creation/retention.

The following additional information must be considered when planning activities your city wishes to fund with CDBG-R:

1. For any activity funded, your city will need to describe how the CDBG-R funds will maximize job creation and economic benefit in relation to the funds obligated and how the activities will address the Recovery Act by meeting one or more of the objectives below:

- a) Preserving and creating jobs and promoting economic recovery;
- b) Assisting those most impacted by the recession;
- c) Providing investment needed to increase economic efficiency;
- d) Investing in transportation, environmental protection, or other infrastructure that will provide long-term economic benefits
- e) Minimizing or avoiding reductions in essential services; or
- f) Fostering energy independence.

2. HUD has shortened the minimum time for citizen comments to 7 calendar days.

3. CDBG-R is a one-time funding source that must be expended by September 30, 2012.

Projects must meet all the regular CDBG funding requirements but there are additional reporting and compliance requirements related to job creation/retention and other benefits. Additional guidance will be provided.

4. It is recommended that cities minimize the total amount of projects funded and should target programs/projects that you know can produce results.

5. Please note that there is a 10% administration cap on CDBG-R funds. Cities will be limited to a 5% administrative cap. The CDC will retain the balance for grant administration costs such as planning, reporting, and financial management.

6. CDBG-R includes a 15% public service cap. Our local HUD office is discouraging the use of funding for public service due to the increased amount of reporting for this grant.

7. There is also a requirement to prioritize projects that can award contracts based on bids within 120 calendar days from the date the funds are made available to the recipients.

8. Because of the requirement to expend the funds promptly and the additional reporting requirements, CDBG-R projects must be set up and remain separate from projects funded with other sources including regular CDBG. However, you may want to set up parallel programs if, as an example, your City administers a strong housing rehabilitation program that could be expanded with these additional funds.

9. CITY PROJECT SUBMISSION DEADLINE - MAY 26, 2009. Any funds not allocated to projects by that deadline will no longer be available to your City and will be reallocated to the Supervisorial District in which your City is located. Exchanges of CDBG-R funds between cities will not be considered."

Funding Breakdown

Based on the methodology and planned distribution of the CDBG-R funds discussed above, the County plans to initially fund three (3) activities with the **\$8,080,528** in available funding.

The following is a break down of how much funding will go towards each activity:

- Public Improvements - 75% or \$6,060,397
- Public Services - 15% or \$1,212,079
- Program Administration - 10% or \$ 808,052

Note that it may be necessary to shift funding from one eligible activity to another in order to meet the expenditure deadlines. However, the percentage of Program Administration funding will not exceed 10% of the allocation and the percent of Public Services will not exceed 15% as required by CDBG-R.

At least 70% of the grant amount will benefit person of low- and moderate-income.

In addition, the CDC will amend the 2008-2009 Action Plan to identify specific activities under each general category through the process identified above. For example, participating cities and Supervisorial Districts are being asked to identify projects that they would like funded. Any projects that meet CDBG-R requirements will be identified in the amendment.

Pre-Award Costs

HUD is granting permission to states and entitlement jurisdictions receiving a direct allocation of CDBG-R funds to incur pre-award costs associated with the development of the substantial amendment to the action plan as if each was a new grantee preparing to receive its first allocation of CDBG funds. The County may incur these pre-award costs as well as activity-specific pre-award costs in compliance with 24 CFR 570.200(h).

A. SPREADSHEET FOR REPORTING PROPOSED CDBG-R ACTIVITIES

Grantees must provide information concerning CDBG-R assisted activities in an electronic spreadsheet provided by HUD. The information that must be reported in the spreadsheet includes activity name, activity description, CDBG-R dollar amount budgeted, eligibility category, national objective citation, additional Recovery Act funds for the activity received from other programs, and total activity budget. An electronic copy of the spreadsheet and the format is available on HUD's recovery website at <http://www.hud.gov/recovery>.

See spreadsheet in Appendix B.

B. CDBG-R INFORMATION BY ACTIVITY (COMPLETE FOR EACH ACTIVITY)

PROJECT #1: PUBLIC IMPROVEMENTS - \$6,060,397

- (1) Activity Name: (Grantees should follow the same order that activities are listed in the Spreadsheet for Reporting Proposed CDBG-R Activities – this will allow HUD to easily match activity narratives with the information provided in the spreadsheet.)

Public Improvements

- (2) Activity Narrative:

In addition to the Spreadsheet for Reporting Proposed CDBG-R Activities, grantees must provide a narrative for each activity describing how the use of the grantee's CDBG-R funds will meet the requirements of Title XII of Division A and Section 1602 of ARRA. The grantee's narrative must also state how CDBG-R funds will be used in a manner that maximizes job creation and economic benefit in relation to the CDBG-R funds obligated, and will address the Recovery Act, by:

The Los Angeles Urban County's Program will utilize CDBG-R funding for public improvements activities. These activities will be undertaken by the County as well as its participating cities. The County's activities will likely address the Recovery Act in the following ways:

With the intent to preserve or create jobs and promote economic recovery, the CDC and its participating cities will proceed to fund "shovel ready" public improvement construction projects. When brought on line, the new projects will create an immediately source of construction jobs in the County and its participating cities, while providing a needed boost to local economies. The new construction projects will also provide a ripple effect in the form of sales directly related to the projects, as well as sales indirectly related to the activity.

To assist those most impacted by the recession: The public improvement projects will be targeted to low- to moderate-income areas providing an immediate impact to those communities that may be hardest hit by the recession.

Providing investment needed to increase economic efficiency: When the County and its participating cities utilize their CDBG-R funding for public improvements the benefits to the community is considerable. Improvements to streets and commercial areas improve traffic flow, reduce congestion, and create a safer environment, as well as increasing the economic efficiency of the community's infrastructure.

The Investment in transportation or other infrastructure provides long-term economic benefits: Expected benefits to the County and its participating cities through CDBG-R funded public improvements and investments should see increases in property values and the economic stimulus that can follow community infrastructure improvements.

Fostering energy independence: When the County and its participating cities assess potential public improvements for possible funding under the CDBG-R program, energy independence will be a strong consideration. Building improvements that will likely be favored will include renovations incorporating energy efficient windows, high efficiency heating and air-conditioning systems, high “R” value insulation, and passive solar energy systems. System upgrades that will enhance and improve energy conservation will be a top contender for funding approval.

- (3) Jobs Created: (Report the number of full- and part-time jobs estimated to be created and retained by the activity (including permanent, construction, and temporary jobs)).

It is estimated that 88 full-time.

- (4) Additional Activity Information: (A description of how the activity will promote energy conservation, smart growth, green building technologies, or reduced pollution emissions, if applicable.)

When the County and its participating cities assess propose public improvements for funding under the CDBG-R program, energy conservation, smart growth, green building and technologies and reduced pollution emission will be considered. Facility improvements that will likely be favored will include renovations incorporating energy efficient windows, high efficiency heating and air-conditioning systems, high “R” value insulation, passive solar energy systems, and other appropriate energy conservation and application of green building principals. System upgrades that will enhance and improve energy conservation and reduce pollution emissions will also be implemented when appropriate.

- (5) Responsible Organization: (Contact information for the organization that will implement the CDBG-R activity, including its name, location, and administrator contact information)

Community Development Commission of the County of Los Angeles
2 Coral Circle, Monterey Park, CA 91755
Contact: Linda Jenkins, Manager, CDBG Division
(323) 890-7168

PROJECT #2: PUBLIC SERVICES - \$1,212,079

- (1) Activity Name: (Grantees should follow the same order that activities are listed in the Spreadsheet for Reporting Proposed CDBG-R Activities – this will allow HUD to easily match activity narratives with the information provided in the spreadsheet.)

Public Services

- (2) Activity Narrative:
In addition to the Spreadsheet for Reporting Proposed CDBG-R Activities, grantees must provide a narrative for each activity describing how the use of the grantee’s CDBG-R funds will meet the requirements of Title XII of Division A and Section 1602 of ARRA. The

grantee's narrative must also state how CDBG-R funds will be used in a manner that maximizes job creation and economic benefit in relation to the CDBG-R funds obligated, and will address the Recovery Act, by:

The Los Angeles Urban County's Program will utilize 15 percent of the CDBG-R funding for public service activities. These activities will cover a broad range of activities that may include services on an area wide basis covering large regions such as Los Angeles County or be designed to have a more focused approach addressing needs within a local community. With this in mind the County's public service activities will likely address the Recovery Act in the following ways:

With the intent to preserve or create jobs and promote economic recovery, the CDC and its participating cities will actively support activities that focused on employment and training programs designed to expand or reeducate the workforce, and educational programs that promote school continuation.

To assist those most impacted by the recession, the CDC and its participating cities will continue to focus its public service activities in designated low- to moderate-income areas, providing a support network that can potentially assist clientele likely to be hardest hit by a downturn in the economy.

Providing investment needed to increase economic efficiency: By offering a wide range of free services, training and supportive programs the CDC and its participating cities can ease the economic burden on low- to moderate-income clientele allowing them the freedom to use their already scarce resources on other life necessities.

Minimizing or avoiding reduction in essential services: With the current economic downturn local governmental agencies have less funding to support essential services funded in past years. The infusion of CDBG-R funding will enable public service activities, at both the County and city level, to continue to directly assist the economic recovery.

- (3) **Jobs Created:** (Report the number of full- and part-time jobs estimated to be created and retained by the activity (including permanent, construction, and temporary jobs)).

It is estimated that 20 part-time jobs will be created.

- (4) **Additional Activity Information:** (A description of how the activity will promote energy conservation, smart growth, green building technologies, or reduced pollution emissions, if applicable.)

It is not anticipated that the public services activities to be funded will promote energy conservation, smart growth, green building technologies, or reduced pollution emissions.

- (5) **Responsible Organization:** (Contact information for the organization that will implement the CDBG-R activity, including its name, location, and administrator contact information)

Community Development Commission of the County of Los Angeles
2 Coral Circle, Monterey Park, CA 91755
Contact: Linda Jenkins, Manager, CDBG Division
(323) 890-7168

PROJECT #3: ADMINISTRATION - \$808,052

- (1) Activity Name: (Grantees should follow the same order that activities are listed in the Spreadsheet for Reporting Proposed CDBG-R Activities – this will allow HUD to easily match activity narratives with the information provided in the spreadsheet.)

Administration

- (2) Activity Narrative:

In addition to the Spreadsheet for Reporting Proposed CDBG-R Activities, grantees must provide a narrative for each activity describing how the use of the grantee's CDBG-R funds will meet the requirements of Title XII of Division A and Section 1602 of ARRA. The grantee's narrative must also state how CDBG-R funds will be used in a manner that maximizes job creation and economic benefit in relation to the CDBG-R funds obligated, and will address the Recovery Act, by:

The Los Angeles Urban County's Program will utilize 10 percent of the CDBG-R funding for program administration activities. These activities will be undertaken by the both the County, as well as it's participating cities and provide for the administrative support of all of the other activities. Through this support the administrative activities indirectly meet all of the CDBG-R program's objectives of maximizing job creation and economic benefit.

- (3) Jobs Created: (Report the number of full- and part-time jobs estimated to be created and retained by the activity (including permanent, construction, and temporary jobs)).

None

- (4) Additional Activity Information: (A description of how the activity will promote energy conservation, smart growth, green building technologies, or reduced pollution emissions, if applicable.)

The Los Angeles Urban County's Program will utilize 10 percent of the CDBG-R funding for program administration activities. These activities will be undertaken by the both the County, as well as it's participating cities and provide for the administrative support of all of the other activities. Through this support the administrative activities indirectly meet all of the CDBG-R program's objectives of maximizing job creation and economic benefit.

- (5) Responsible Organization: (Contact information for the organization that will implement the CDBG-R activity, including its name, location, and administrator contact information)

Community Development Commission of the County of Los Angeles
2 Coral Circle, Monterey Park, CA 91755

Contact: Linda Jenkins, Manager, CDBG Division
(323) 890-7168

C. PUBLIC COMMENT

Provide a summary of public comments received to the proposed CDBG-R Substantial Amendment.

Note: A Proposed CDBG-R Substantial Amendment must be published via the usual methods and posted on the jurisdiction's website for no less than 7 calendar days for public comment.

Response:

The CDC will provide a summary of public comments received during the public comment period. These comments will be summarized in the final action plan amendment.

CDBG-R Substantial Amendment Grantee Checklist

For the purposes of expediting review, HUD asks that applicants submit the following checklist along with the CDBG-R Substantial Amendment, Spreadsheet for Reporting Proposed CDBG-R Activities, and SF-424.

Contents of a CDBG-R Action Plan Substantial Amendment

Jurisdiction(s): County of Los Angeles Jurisdiction Web Address: • http://www.lacdc.org/CDCWebsite/CDBG/PlansReports.aspx?id=2520	CDBG-R Contact Person: Linda Jenkins Address: 2 Coral Circle Telephone: (323) 890-7168 Fax: (323) 890-8595 Email: Linda.Jenkins@lacdc.org
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The elements in the substantial amendment required for the CDBG recovery funds are:

A. SPREADSHEET FOR REPORTING PROPOSED CDBG-R ACTIVITIES

Does the submission contain a paper copy of the Spreadsheet for Reporting Proposed CDBG-R Activities?

Yes ☒ No ☐ Verification found on page **See Appendix C.**

Does the submission include an electronic version of the Spreadsheet for Reporting Proposed CDBG-R Activities sent to the email box CDBG-R@hud.gov?

Yes ☒ No ☐ Date Spreadsheet was emailed: **6/3/09**

Does the Spreadsheet for Reporting Proposed CDBG-R Activities include, for each activity:

- amount of funds budgeted for each activity, including CDBG-R funds, any additional Recovery Funds used and total activity budget,
 Yes ☒ No ☐ Verification found on page(s) **See Appendix C.**
- the Eligibility citation (eligibility regulatory cite or HCDA cite),
 Yes ☒ No ☐ Verification found on page(s) **See Appendix C.**
- the CDBG national objective citation,
 Yes ☒ No ☐ Verification found on page(s) **See Appendix C.**

B. CDBG-R INFORMATION BY ACTIVITY

Does the submission contain information by activity describing how the grantee will use the funds, including:

- a narrative for each activity describing how CDBG-R funds will be used in a manner that maximizes job creation and economic benefit,
Yes ☒ No ☐ Verification found on page(s) **8-12**
- projected number of jobs created for each activity,
Yes ☒ No ☐ Verification found on page(s) **8-12**
- whether an activity will promote energy efficiency and conservation,
Yes ☒ No ☐ Verification found on page(s) **8-12**
- the name, location, and contact information for the entity that will carry out the activity,
Yes ☒ No ☐ Verification found on page(s) **8-12**
- evidence that no more than 10% of the grant amount will be spent on administration and planning,
Yes ☒ No ☐ Verification found on page (s) **7 and Appendix C.**
- evidence that no more than 15% of the grant amount will be spent on public services,
Yes ☒ No ☐ Verification found on page (s) **7 and Appendix C.**
- evidence that at least 70% of the grant amount will benefit persons of low and moderate income,
Yes ☒ No ☐ Verification found on page (s) **7**

C. PUBLIC COMMENT PERIOD

Was the proposed action plan amendment published via the jurisdiction's usual methods and on the Internet for no less than 7 calendar days of public comment?

Yes ☒ No ☐ Verification found on page(s) **4**

Is there a summary of citizen comments included in the final amendment?

Yes ☒ No ☐ Verification found on page(s) **4**

D. CERTIFICATIONS

The following certifications are complete and accurate:

- | | | |
|---|---|-----------------------------|
| (1) Affirmatively furthering fair housing | Yes <input checked="" type="checkbox"/> | No <input type="checkbox"/> |
| (2) Anti-displacement and relocation plan | Yes <input checked="" type="checkbox"/> | No <input type="checkbox"/> |
| (3) Drug-free Workplace | Yes <input checked="" type="checkbox"/> | No <input type="checkbox"/> |
| (4) Anti-lobbying | Yes <input checked="" type="checkbox"/> | No <input type="checkbox"/> |
| (5) Authority of jurisdiction | Yes <input checked="" type="checkbox"/> | No <input type="checkbox"/> |
| (6) Consistency with plan | Yes <input checked="" type="checkbox"/> | No <input type="checkbox"/> |
| (7) Section 3 | Yes <input checked="" type="checkbox"/> | No <input type="checkbox"/> |
| (8) Community development plan | Yes <input checked="" type="checkbox"/> | No <input type="checkbox"/> |

- | | | |
|--|---|-----------------------------|
| (9) Following a plan | Yes <input checked="" type="checkbox"/> | No <input type="checkbox"/> |
| (10) Use of Funds | Yes <input checked="" type="checkbox"/> | No <input type="checkbox"/> |
| (11) Excessive Force | Yes <input checked="" type="checkbox"/> | No <input type="checkbox"/> |
| (12) Compliance with anti-discrimination laws | Yes <input checked="" type="checkbox"/> | No <input type="checkbox"/> |
| (13) Lead-based paint procedures | Yes <input checked="" type="checkbox"/> | No <input type="checkbox"/> |
| (14) Compliance with laws | Yes <input checked="" type="checkbox"/> | No <input type="checkbox"/> |
| (15) Compliance with ARRA | Yes <input checked="" type="checkbox"/> | No <input type="checkbox"/> |
| (16) Project selection | Yes <input checked="" type="checkbox"/> | No <input type="checkbox"/> |
| (17) Timeliness of infrastructure investments | Yes <input checked="" type="checkbox"/> | No <input type="checkbox"/> |
| (18) Buy American provision | Yes <input checked="" type="checkbox"/> | No <input type="checkbox"/> |
| (19) Appropriate use of funds for infrastructure investments | Yes <input checked="" type="checkbox"/> | No <input type="checkbox"/> |
| (20) 70% of CDBG-R for LMI | Yes <input checked="" type="checkbox"/> | No <input type="checkbox"/> |
| Optional Certification | | |
| (21) Urgent Need | Yes <input checked="" type="checkbox"/> | No <input type="checkbox"/> |

D. STATE CERTIFICATIONS N/A – LOS ANGELES URBAN COUNTY

The following certifications are complete and accurate:

- | | | |
|--|------------------------------|-----------------------------|
| (1) Affirmatively furthering fair housing | Yes <input type="checkbox"/> | No <input type="checkbox"/> |
| (2) Anti-displacement and relocation plan | Yes <input type="checkbox"/> | No <input type="checkbox"/> |
| (3) Drug-free Workplace | Yes <input type="checkbox"/> | No <input type="checkbox"/> |
| (4) Anti-lobbying | Yes <input type="checkbox"/> | No <input type="checkbox"/> |
| (5) Authority of State | Yes <input type="checkbox"/> | No <input type="checkbox"/> |
| (6) Consistency with plan | Yes <input type="checkbox"/> | No <input type="checkbox"/> |
| (7) Section 3 | Yes <input type="checkbox"/> | No <input type="checkbox"/> |
| (8) Community development plan | Yes <input type="checkbox"/> | No <input type="checkbox"/> |
| (9) Consultation with Local Governments | Yes <input type="checkbox"/> | No <input type="checkbox"/> |
| (10) Use of Funds | Yes <input type="checkbox"/> | No <input type="checkbox"/> |
| (11) Excessive Force | Yes <input type="checkbox"/> | No <input type="checkbox"/> |
| (12) Compliance with anti-discrimination laws | Yes <input type="checkbox"/> | No <input type="checkbox"/> |
| (13) Compliance with laws | Yes <input type="checkbox"/> | No <input type="checkbox"/> |
| (14) Compliance with ARRA | Yes <input type="checkbox"/> | No <input type="checkbox"/> |
| (15) Project selection | Yes <input type="checkbox"/> | No <input type="checkbox"/> |
| (16) Timeliness of infrastructure investments | Yes <input type="checkbox"/> | No <input type="checkbox"/> |
| (17) Buy American provision | Yes <input type="checkbox"/> | No <input type="checkbox"/> |
| (18) Appropriate use of funds for infrastructure investments | Yes <input type="checkbox"/> | No <input type="checkbox"/> |
| (19) 70% of CDBG-R for LMI | Yes <input type="checkbox"/> | No <input type="checkbox"/> |
| Optional Certification | | |
| (20) Urgent Need | Yes <input type="checkbox"/> | No <input type="checkbox"/> |

Appendix A - CDBG-R Certifications



CERTIFICATIONS

(1) **Affirmatively furthering fair housing.** The jurisdiction will affirmatively further fair housing, which means that it will conduct an analysis to identify impediments to fair housing choice within the jurisdiction, take appropriate actions to overcome the effects of any impediments identified through that analysis, and maintain records reflecting the analysis and actions in this regard.

(2) **Anti-displacement and relocation plan.** The jurisdiction will comply with the acquisition and relocation requirements of the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970, as amended (42 U.S.C. 4601), and implementing regulations at 49 CFR part 24; and it has in effect and is following a residential anti-displacement and relocation assistance plan required under section 104(d) of the housing and Community Development Act of 1974, as amended, in connection with any activity assisted with funding under CDBG-R.

(3) **Drug Free Workplace.** The jurisdiction will or will continue to provide a drug-free workplace by:

1. Publishing a statement notifying employees that the unlawful manufacture, distribution, dispensing, possession, or use of a controlled substance is prohibited in the grantee's workplace and specifying the actions that will be taken against employees for violation of such prohibition;
2. Establishing an ongoing drug-free awareness program to inform employees about –
 - (a) The dangers of drug abuse in the workplace;
 - (b) The grantee's policy of maintaining a drug-free workplace;
 - (c) Any available drug counseling, rehabilitation, and employee assistance programs; and
 - (d) The penalties that may be imposed upon employees for drug abuse violations occurring in the workplace;
3. Making it a requirement that each employee to be engaged in the performance of the grant be given a copy of the statement required by paragraph 1;
4. Notifying the employee in the statement required by paragraph 1 that, as a condition of employment under the grant, the employee will -
 - (a) Abide by the terms of the statement; and
 - (b) Notify the employer in writing of his or her conviction for a violation of a criminal drug statute occurring in the workplace no later than five calendar days after such conviction;
5. Notifying the agency in writing, within ten calendar days after receiving notice under subparagraph 4(b) from an employee or otherwise receiving actual notice of such conviction. Employers of convicted employees must provide notice, including position title, to every grant officer or other designee on whose grant activity the convicted employee was working, unless the Federal agency has designated a central point for the receipt of such notices. Notice shall include the identification number(s) of each affected grant;
6. Taking one of the following actions, within 30 calendar days of receiving notice under subparagraph 4(b), with respect to any employee who is so convicted:
 - (a) Taking appropriate personnel action against such an employee, up to and including termination, consistent with the requirements of the Rehabilitation Act of 1973, as amended; or

(b) Requiring such employee to participate satisfactorily in a drug abuse assistance or rehabilitation program approved for such purposes by a Federal, State, or local health, law enforcement, or other appropriate agency;

7. Making a good faith effort to continue to maintain a drug-free workplace through implementation of paragraphs 1, 2, 3, 4, 5 and 6.

(4) **Anti-lobbying.** To the best of the jurisdiction's knowledge and belief:

1. No Federal appropriated funds have been paid or will be paid, by or on behalf of it, to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with the awarding of any Federal contract, the making of any Federal grant, the making of any Federal loan, the entering into of any cooperative agreement, and the extension, continuation, renewal, amendment, or modification of any Federal contract, grant, loan, or cooperative agreement;

2. If any funds other than Federal appropriated funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with this Federal contract, grant, loan, or cooperative agreement, it will complete and submit Standard Form-LLL, "Disclosure Form to Report Lobbying," in accordance with its instructions; and

3. It will require that the language of paragraph 1 and 2 of this anti-lobbying certification be included in the award documents for all subawards at all tiers (including subcontracts, subgrants, and contracts under grants, loans, and cooperative agreements) and that all subrecipients shall certify and disclose accordingly.

(5) **Authority of Jurisdiction.** The jurisdiction possesses the legal authority to carry out the programs for which it is seeking funding, in accordance with applicable HUD regulations and other program requirements.

(6) **Consistency with Plan.** The housing activities to be undertaken with CDBG-R funds are consistent with its consolidated plan.

(7) **Section 3.** The jurisdiction will comply with section 3 of the Housing and Urban Development Act of 1968 (12 U.S.C. 1701u), and implementing regulations at 24 CFR part 135.

(8) **Community development plan.** The jurisdiction certifies that the consolidated housing and community development plan identifies housing and community development needs and specifies both short-term and long-term community development objectives that have been developed in accordance with the primary objective of the statute authorizing the CDBG program.

(9) **Following a plan.** The jurisdiction is following a current consolidated plan that has been approved by HUD.

(10) **Use of funds.** The jurisdiction has developed activities so as to give the maximum feasible priority to activities that will benefit low- and moderate-income families or aid in the prevention of slums or blight. Additional activities may be included that are designed to meet other community development needs having particular urgency because existing conditions pose a serious and immediate threat to the health or welfare of the community where other financial resources are not available to meet such needs. It has complied with the following criteria:

1. **Maximum Feasible Priority.** With respect to activities expected to be assisted with CDBG-R funds, it certifies that it has developed its Action Plan so as to give maximum feasible priority to activities which benefit low and moderate income families or aid in the prevention or elimination of slums or blight. The Action Plan may also include activities which the grantee certifies are designed to meet other community development needs having a particular urgency because existing conditions pose a serious and immediate threat to the health or welfare of the community, and other financial resources are not available);

2. **Special Assessments.** The jurisdiction will not attempt to recover any capital costs of public improvements assisted with CDBG-R funds by assessing any amount against properties owned and occupied by persons of low- and moderate-income, including any fee charged or assessment made as a condition of obtaining access to such public improvements. However, if CDBG-R funds are used to pay the proportion of a fee or assessment attributable to the capital costs of public improvements (assisted in part with CDBG-R funds) financed from other revenue sources, an assessment or charge may be made against the property with respect to the public improvements financed by a source other than CDBG-R funds. The jurisdiction will not attempt to recover any capital costs of public improvements assisted with CDBG-R funds, unless CDBG-R funds are used to pay the proportion of fee or assessment attributable to the capital costs of public improvements financed from other revenue sources. In this case, an assessment or charge may be made against the property with respect to the public improvements financed by a source other than CDBG-R funds. In addition, with respect to properties owned and occupied by moderate-income (but not low-income) families, an assessment or charge may be made against the property with respect to the public improvements financed by a source other than CDBG-R funds if the jurisdiction certifies that it lacks CDBG-R or CDBG funds to cover the assessment.

(11) **Excessive Force.** The jurisdiction certifies that it has adopted and is enforcing: (1) a policy prohibiting the use of excessive force by law enforcement agencies within its jurisdiction against any individuals engaged in non-violent civil rights demonstrations; and (2) a policy of enforcing applicable State and local laws against physically barring entrance to or exit from a facility or location that is the subject of such non-violent civil rights demonstrations within its jurisdiction.

(12) **Compliance with anti-discrimination laws.** The CDBG-R grant will be conducted and administered in conformity with title VI of the Civil Rights Act of 1964 (42 U.S.C. 2000d), the Fair Housing Act (42 U.S.C. 3601-3619), and implementing regulations.

(13) **Compliance with lead-based paint procedures.** The activities concerning lead-based paint will comply with the requirements of part 35, subparts A, B, J, K, and R of this title.

(14) **Compliance with laws.** The jurisdiction will comply with applicable laws.

(15) **Compliance with ARRA.** The jurisdiction will comply with Title XII of Division A of the American Recovery and Reinvestment Act of 2009.

(16) **Project selection.** The jurisdiction will select projects to be funded, by giving priority to projects that can award contracts based on bids within 120 days from the date the funds are made available to the recipient, and that will ensure maximum job creation and economic benefit.

(17) **Timeliness of infrastructure investments.** When the jurisdiction uses CDBG-R funds for infrastructure investments, the grantee will give preference to quick-start and finish activities, including a goal to use at least 50 percent of the funds for activities within 120 days of enactment of the Recovery Act.

(18) **Buy American provision.** The jurisdiction will ensure that all iron, steel and manufactured goods used in construction, alteration, repair, or maintenance of a public building or public work project assisted with CDBG-R funds under the Recovery Act must be produced in the United States unless the Secretary finds that: (1) the requirement is inconsistent with public interest; (2) those goods are not reasonably available or produced in sufficient quantity in the U.S.; (3) or the use of the goods will increase the project cost by more than 25 percent.

(19) **Appropriate use of funds for infrastructure investments.** The Governor, mayor, or other chief executive, as appropriate certifies, that any infrastructure investments have received the full review and vetting required by law and that the chief executive accepts responsibility that the infrastructure investment is an appropriate use of taxpayer dollars. Alternatively, a grantee's chief elected official certifies that infrastructure investments will receive the full review and vetting required by law and that the chief executive accepts responsibility that the infrastructure investment is an appropriate use of taxpayer dollars.

(20) **70% of CDBG-R for LMI.** The aggregate use of CDBG-R funds shall principally benefit persons of low and moderate income in a manner that ensures that at least 70 percent of the grant is expended for activities that benefit such persons over the life of the CDBG-R grant.

Signature/Authorized Official

June 3, 2009
Date

Executive Director
Title

OPTIONAL CERTIFICATION

CDBG-R

Submit the following certification only when one or more of the activities in the action plan are designed to meet other community development needs having a particular urgency as specified in 24 CFR 570.208(c):

Where the urgent need is the current economic conditions, the grantee certifies that the activity is alleviating current economic conditions which pose a threat to the economic welfare of the community in which the activity is being carried out, the recipient is unable to finance the activity on its own, and other sources of funding are not available.

Signature/Authorized Official

June 3, 2009
Date

Executive Director
Title

Appendix B - CDBG-R Activity Data Spreadsheet



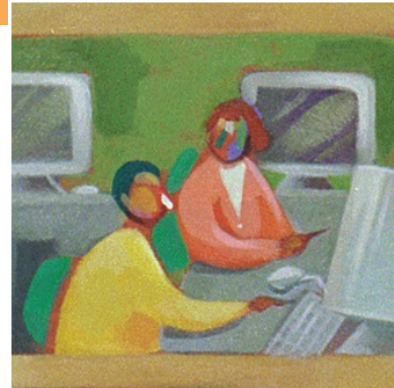
LOS ANGELES COUNTY

CDBG-R

Activity Data Spreadsheet

Jurisdiction/Grantee Name: COUNTY OF LOS ANGELES, CALIFORNIA		CDBG-R Formula Grant Amount: \$8,080,528				Date: 6/3/09	
Activity Name	Activity Description	Eligibility (Regulatory or HCDA Citation)	National Objective Citation	CDBG-R Project Budget (\$)	Additional Recovery Funds (\$)	Other Leveraged Funding (\$)	Total Activity Budget
Public Improvements	The Los Angeles Urban County's Program will utilize CDBG-R funding for public improvements activities. These activities will be undertaken by the County as well as its participating cities. The County's activities will address the Recovery Act. Potential activities will include public facilities improvements such as rehabilitation to service centers and infrastructure improvements such as sidewalks, streets, lighting, sewer, drainage, fire protection, and other "shovel ready" activities to support public improvements.	570.201(c)	570.208(a)(1)(i)	\$6,060,397	\$1,500,000	\$5,000,000	\$12,560,397
Public Service	The Los Angeles Urban County's Program will utilize 15 percent of the CDBG-R funding for public service activities. These activities will cover a broad range of activities that may include services on an area wide basis covering large regions such as Los Angeles County or be designed to have a more focused approach addressing needs within a local community.	570.201(e)	570.208(a)(2)(i)(A)&(B)	\$1,212,079	\$5,000,000	\$0	\$ 6,212,079
Administration	The Los Angeles Urban County's Program will utilize 10 percent of the CDBG-R funding for program administration activities. These activities will be undertaken by the both the County, as well as its participating cities and provide for the administrative support of all of the other activities.	570.206(a)(1)	570.208(d)(4)	\$ 808,052	\$0	\$0	\$ 808,052
TOTAL				\$8,080,528	\$6,500,000	\$5,000,000	\$19,580,528

Appendix C - Public Notice, List of Publications, & Citizen Comments



PUBLIC NOTICE

AMENDMENT TO THE FISCAL YEAR (FY) 2008-2009 ONE-YEAR ACTION PLAN FOR THE LOS ANGELES URBAN COUNTY

The amendment to the FY 2008-2009 One-Year Action Plan for the Los Angeles Urban County is to enable the County of Los Angeles to receive and administer funds from the U.S. Department of Housing and Urban Development's Community Development Block Grant (CDBG) Program under the American Recovery and Reinvestment Act of 2009, to invest in infrastructure improvements that will quickly spur further economic investment, increase energy efficiency, and job creation or retention within the 47 participating cities and the unincorporated areas of the Los Angeles Urban County.

The amendment to the FY 2008-2009 One-Year Action Plan for the Los Angeles Urban County is to enable the County of Los Angeles to receive and administer funds from the U.S. Department of Housing and Urban Development's Community Development Block Grant (CDBG) Program under the American Recovery and Reinvestment Act of 2009, to invest in economic development, housing, infrastructure and other public facilities activities that will quickly spur further economic investment, increase energy efficiency, and job creation or retention within the 47 participating cities and the unincorporated areas of the Los Angeles Urban County.

The amendment to the Action Plan will be presented for approval before the Los Angeles County Board of Supervisors on:

**June 2, 2009 – 9:30 a.m.
381 Kenneth Hahn Hall of Administration - Board Hearing Room
500 West Temple Street
Los Angeles, CA 90012**

The amended document will be available during a seven (7)-day public review and comment period from May 26, 2009 to June 2, 2009 on the Community Development Commission (CDC) website at: <http://www.lacdc.org/CDCWebsite/CDBG/PlansReports.aspx?id=2520>. Hard copies of the amended document will also be available for review at the CDC main office at 2 Coral Circle, Monterey Park, CA 91755.

Assisted listening devices, agenda in Braille, and/or alternate formats are available upon request. American Sign Language (ASL) interpreters, other auxiliary aids and services, or reasonable modifications to Board meeting policies and/or procedures, such as to assist members of the disabled community who would like to request a disability-related accommodation in addressing the Board, are available if requested at least three (3) business days prior to the Board meeting. Later requests will be accommodated to the extent feasible. Please telephone the Executive Office of the Board at (213) 974-1431 (voice) or (213) 974-1707 (TTY), from 8:00 a.m. to 5:00 p.m., Monday through Friday.

Máquinas de traducción están disponibles a petición. Para solicitar intérpretes para las reuniones de la Junta de Supervisores del Condado de Los Angeles, favor de llamar al número (213) 974-1403 entre las horas de 8:00 a.m. a 5:00 p.m., lunes a viernes, con tres días de anticipación.

Citizens wishing to submit written comments during the public review and comment period may mail them, postmarked **no later than June 2, 2009**, to the CDC, to the attention of Chip Aquino, CDBG Division, who can be reached at (323) 890-7158, if there are any questions.

Copias del documento también están disponibles para revisar en la Comisión de Desarrollo Comunitario (CDC), 2 Coral Circle, Monterey Park, CA 91755. La Junta de Supervisores del Condado de Los Angeles tendrá una reunión pública el 2 de junio del 2009 en 381 Kenneth Hahn Hall of Administration, 500 West Temple Street, Los Angeles, CA 90012. Para hacer algún comentario, escriba a la CDC, a la atención de Gloria V. Ramirez, **antes del 2 de junio del 2009**. Para obtener más información o hacer un comentario por teléfono, favor de llamar a la Señora Ramirez al (323) 890-7188.

市民若在公開審核及資詢期間有任何意見，請於2009年06月2日前寄信或致電聯絡以下員工: CDC, Assisted Housing Division, Rhoda Yang (電話號碼: 562-347-4663 x8173).

Граждане, желающие подать письменные комментарии на протяжении времени для публичного рассмотрения и комментариев, могут отправить их по почте не позже, чем 06/2/2009 года в CDC с пометкой для Ludmila George, которой можно позвонить по телефону (323) 854-1644, если возникли вопросы.

한국말로 의사를 표시하거나 표현할 주민들의 경우 꼭 우편물로써 의사를 전달하기 바랍니다.
그 우편물의 통지는 기한이 2009년 06월 2일의 소인을 이전에 발송이 되어야 하며 수신인은 레이몬드 웹스터씨로 담당부서는 CDBG 입니다.
의문 사항이 있을 경우 전화 번호 (323) 890-7317 마이크 신에게 문의 하십시오.

Publications for the Public Notice for the Amendment to the FY 2008-09 Action Plan

(Submit to California Newspaper Services by Monday, May 25, 2009 at 11:00a.m.).

PUBLICATION	DISTRICTS	NEWSPAPER
Daily	1,2,3,4,5	Los Angeles Times
Daily	1,2,3,4,5	La Opinion (in Spanish)
Daily	2	Korea Times (in Korean)
Daily	1,4	Chinese Daily Journal (in Chinese)
Weekly	2,3	Panorama (in Russian)

PROOF OF PUBLICATIONS

The Proof of Publications were not available for this amendment to the Action Plan. However, they will be on file at the Community Development Commission, 2 Coral Circle, Monterey Park, CA 91755 for inspection once they are received. The Proof of Publications will also be submitted to the U.S. Department of Housing and Urban Development once received.

Appendix D - HUD CDBG-R Notice



DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

[Docket No. FR-5309-N-01]

**Notice of Program Requirements for
Community Development Block Grant Program
Funding Under the American Recovery and Reinvestment Act of 2009**

AGENCY: Office of the Assistant Secretary for Community Planning and Development, HUD.

ACTION: Notice.

SUMMARY: This notice advises the public of the statutory and regulatory waivers granted to grantees under the American Recovery and Reinvestment Act of 2009 (Recovery Act). The Recovery Act appropriated \$1 billion in Community Development Block Grant (CDBG) funds to states and local governments to carry out, on an expedited basis, eligible activities under the CDBG program. HUD is authorized by statute to specify alternative requirements and make regulatory waivers for this purpose. This notice also explains statutory issues affecting program design and implementation. The Department is also using this notice to provide grantees information about other ways in which the requirements for this grant vary from regular CDBG program rules. Except as described in this Notice, the statutory and regulatory provisions governing the CDBG program apply to this program.

DATES: Entitlement grantees, Insular Areas, and non-entitlement counties in Hawaii are to submit the substantial amendments to their program year (PY) 2008 action plans to their HUD field office by June 5, 2009. States are to submit the substantial amendments to their PY2008 action plans to their HUD field office by June 29, 2009. The deadline for the Homelessness Prevention and Rapid Re-housing Program (HPRP) funding pursuant to

HUD's March 19, 2009, Federal Register notice is May 18. Grantees that wish to submit a single substantial amendment for both programs must do so by May 18, 2009.

FOR FURTHER INFORMATION CONTACT: Stanley Gimont, Director, Office of Block Grant Assistance, Office of Community Planning and Development, Department of Housing and Urban Development, 451 7th Street, SW, Room 7286, Washington, DC 20410; telephone 202-708-3587 (this is not a toll-free number). Persons with hearing or speech impairments may access this number through TTY by calling the toll-free Federal Information Relay Service at 800-877-8339. Interested parties may also visit the CDBG-R web page on HUD's Recovery Act website, <http://www.hud.gov/recovery/>, for updated information and resources. Questions regarding the CDBG-R program may be submitted to HudRecoveryAct@hud.gov.

SUPPLEMENTARY INFORMATION:

Authority to Provide Alternative Requirements and Grant Regulatory Waivers

Title XII of Division A of the American Recovery and Reinvestment Act of 2009 (Public Law 111-005, approved February 17, 2009) appropriates \$1 billion to carry out the CDBG program under Title I of the Housing and Community Development Act of 1974 (42 U.S.C. 5301, et seq.) (the HCDA) on an expedited basis. These funds will be distributed to grantees that received CDBG funding in Fiscal Year (FY) 2008 in accordance with the provisions of 42 U.S.C. 5306. The grant program under Title XII is commonly referred to as the CDBG Recovery (CDBG-R) program. When referring to a provision of the appropriations statute itself, this notice will refer to the Recovery Act; when referring to the grants, grantees, assisted activities, and implementation rules, this notice will use the term CDBG-R.

In administering CDBG-R funds, the Secretary may waive or specify alternative requirements for any provision of any statute or regulation in connection with the obligation by the Secretary or the use by the recipient of these funds except for requirements related to fair housing, nondiscrimination, labor standards, and the environment, upon a finding that such waiver is necessary to expedite or facilitate the timely use of such funds and would not be inconsistent with the overall purpose of the statute. Such regulatory relief as HUD deemed necessary and is authorized to provide under 24 CFR 5.110 and 24 CFR 91.600 to permit implementation of CDBG-R is provided in this notice.

The Secretary finds that the alternative requirements outlined in Section II. of this notice are necessary to expedite the use of these funds for their required purposes.

Except as described in this notice, statutory and regulatory provisions governing the CDBG program, including those at 24 CFR part 570 subpart I for states and those at 24 CFR part 570 subparts A, C, D, E, F, J, K, and O for CDBG entitlement communities, as appropriate, shall apply to the use of these funds. Subpart M, concerning the Section 108 Loan Guarantee program, is not applicable to CDBG-R. Other sections of the notice will provide further details of the changes, the majority of which deal with adjustments necessitated by Recovery Act provisions to expedite the use of CDBG-R funds.

Ensuring Responsible Spending of Recovery Act Funds

Funding available under the Recovery Act has clear purposes – to stimulate the economy through measures that modernize the Nation’s infrastructure, improve energy efficiency, and expand educational opportunities and access to health care. In implementing the Recovery Act, Federal agencies are undertaking unprecedented measures to ensure transparency and accountability in the use of the funds. Concurrently, Federal agencies must

ensure that the funds are employed in a prudent manner consistent with applicable program requirements.

The Department desires that CDBG-R grantees carefully evaluate proposed projects for consistency with the overarching goals of the Recovery Act, especially the above-cited purposes. To this extent, HUD strongly urges grantees to use CDBG-R funds for hard development costs associated with infrastructure activities that provide basic services to residents or activities that promote energy efficiency and conservation through rehabilitation or retrofitting of existing buildings. While the full range of CDBG activities is available to grantees, the Department strongly suggests that grantees incorporate consideration of the public perception of the intent of the Recovery Act in identifying and selecting projects for CDBG-R funding.

On March 20, 2009, President Obama issued a memorandum to the heads of executive branch agencies, entitled “Ensuring Responsible Spending of Recovery Act Funds”. (This memorandum was published in the Federal Register on March 25 at 74 FR 12531.) This memorandum lays out principles and steps that federal agencies are to take to ensure responsible distribution and use of Recovery Act funds. Grantees should ensure that the activities that they select for CDBG-R funding adhere to the expectations of this notice, particularly those of Section 2(c).

The Department must emphasize the following points to recipients of CDBG-R funds. Certain specified activities and/or projects may not be funded with CDBG-R funds pursuant to the Recovery Act and this includes swimming pools, golf courses, zoos, aquariums, and casinos or other gambling establishments. Other activities generally prohibited under regulations governing the regular CDBG program are also prohibited under CDBG-R. This

includes prohibitions on the construction of buildings for the general conduct of government, political activities, purchase of equipment, and operating and maintenance expenses. Other CDBG restrictions may also apply including bans on assistance to professional sports teams, recreational facilities that serve a predominantly higher income clientele, and general promotional activities for the grantee.

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I. ALLOCATIONS

A. Formula: Allocation. The Recovery Act appropriates \$1 billion of CDBG funding and is distributing \$980 million to grantees that received CDBG funding in FY2008. Pursuant to provisions of the Recovery Act, HUD has reserved \$10 million to address its administrative costs and has allocated \$10 million to the Indian CDBG program, as required by 42 U.S.C.

5306(a). Any unit of local government that did not apply for its FY2008 funds is not eligible to receive CDBG-R funding. The formulas for the allocation of CDBG-R funds are the same as the formulas used for the annual allocation of CDBG funds to the states, entitlement grantees, and Insular Areas. On February 25, 2009, HUD announced the list of the CDBG-R allocations, and these may be found at <http://www.hud.gov/recovery/cdblock.cfm>.

B. Formula: Reallocation. To expedite the use of CDBG-R funds, the Department is specifying alternative requirements to 42 U.S.C. 5306(c) and 42 U.S.C. 5306(d)(3)(C). The Department has determined that it is necessary to employ an alternative reallocation process in order to expedite grantees' timely use of any reallocated funds. Under the existing provisions of 42 U.S.C. 5306, funds that become available for reallocation would be reallocated as part of the process for allocating the next fiscal year's appropriation of regular CDBG funding; this means any unawarded CDBG-R funds would not get reallocated until sometime in federal fiscal year 2010. To expedite the reallocation process, HUD is adopting the following procedure instead.

If a unit of general local government, State, or Insular Area receiving an allocation of CDBG-R funds under this notice fails to submit a substantial amendment to its program year 2008 action plan for its grant allocation by the deadlines specified in Section II.A.4. of this notice, or submits an application for less than the total allocation amount, or if HUD is unable to approve any entity's submission, HUD may notify the jurisdiction of the cancellation of all or part of its allocation amount. Once HUD determines the amount of funds (if any) that are not awarded to any jurisdictions, the Secretary will establish performance criteria by which to award these funds to other entities. These criteria will be

published in the Federal Register. However, these criteria will be established only if funds become available for reallocation.

II. ALTERNATIVE REQUIREMENTS AND REGULATORY WAIVERS

This section of the notice provides a justification for alternative requirements and describes the necessary basis for each regulatory waiver. The section also highlights some of the statutory provisions applicable to the grants. This background narrative is followed by the CDBG-R requirement(s).

Each grantee eligible for a CDBG-R grant has already received an annual allocation of FY2008 CDBG funds, has carried out needs hearings, has a consolidated plan, an annual action plan, a citizen participation plan, a monitoring plan, an analysis of impediments to fair housing choice, and has made CDBG certifications. The consolidated plan already discusses housing needs related to up to four major grant programs: CDBG; Home Investment Partnerships Program (HOME); Emergency Shelter Grants (ESG); and Housing Opportunities for Persons With AIDS (HOPWA). A grantee's annual action plan describes the activities budgeted under each of those annual programs.

The CDBG-R grant is a supplemental appropriation. As such, HUD is treating a grantee's use of its CDBG-R grant to be a substantial amendment to its current approved consolidated plan and PY2008 annual action plan. (For grantees that received an allocation under the Neighborhood Stabilization Program (NSP), this will constitute a second substantial amendment to the PY2008 annual action plan.) Treating the CDBG-R as a substantial amendment and requiring grantees to amend the PY2008 annual action plan will expedite the distribution of CDBG-R funds, while ensuring citizen participation on the specific use of the funds. HUD is also waiving the consolidated plan regulations to the

extent necessary to adjust the reporting requirements for the use of CDBG-R funds to comply with the Recovery Act.

These waivers and alternative requirements apply only to the grant funds appropriated under the Recovery Act and not to the use of regular formula allocations of CDBG funds, even if they are used in conjunction with CDBG-R funds for a project. The waivers and alternative requirements provide expedited program implementation and implement statutory requirements unique to this supplemental appropriation.

A. Pre-Grant Process

Pursuant to Recovery Act provisions, HUD is treating CDBG-R funds as a special allocation of CDBG funding. HUD is requiring grantees to provide a substantial amendment to their PY2008 annual action plans. To receive CDBG-R funding, each CDBG grantee must submit to HUD a substantial amendment to its action plan in accordance with this notice, by the deadlines specified in Section II.A.4. of this notice. This submission will include a signed standard federal form SF-424, signed certifications, and a substantial action plan amendment meeting the requirements of paragraph 2. below. Grantees may immediately begin to prepare and submit substantial amendments to their action plans for CDBG-R funds, in accordance with this notice.

HUD will consider any existing cooperation agreements between a local government and an urban county governing FY2008 CDBG funding (for purposes of either an urban county or a joint program) to automatically cover CDBG-R funding as well. These cooperation agreements will continue to apply to the use of CDBG-R funds for the duration of the CDBG-R grant. For example, a local government presently has a cooperation agreement covering participation in an urban county for federal FYs 2007, 2008, and 2009.

The local government may choose to discontinue its participation with the county at the end of the applicable qualification period for purposes of regular CDBG entitlement funding.

However, the county will still be responsible for any CDBG-R projects funded in that community, and for any CDBG-R funding the local government receives from the county, until those funds are expended and the funded activities are completed.

Each grantee will have until the deadlines specified in paragraph 4. below to complete and submit a substantial amendment to its annual action plan. HUD encourages grantees, during development of their action plan amendments, to contact HUD field offices for guidance in complying with these requirements.

In the regular CDBG program, a grantee is required to provide 30 calendar days for soliciting comments from its citizens before it submits an annual action plan to HUD. Then, HUD has 45 calendar days to accept or reject the plan. To expedite the process and to ensure that the CDBG-R grants are awarded in a timely manner, while preserving a reasonable citizen participation process, HUD is waiving the requirement that the grantee follow its citizen participation plan for this substantial amendment. HUD is shortening the minimum time for citizen comments to 7 calendar days and requiring the substantial amendment materials to be posted on the grantee's official website as the materials are developed, published, and submitted to HUD. Grantees are cautioned that, despite the expedited application and plan process, they are still responsible for ensuring that all citizens have equal access to information about activities assisted with CDBG-R funds. In addition, grantees must ensure that non-English speaking persons and persons with disabilities have access to copies of substantial amendments. Since not all citizens have internet access, HUD

encourages grantees to make copies of substantial amendments available in public places such as libraries and government buildings.

HUD will not require states to follow their existing citizen participation plan requirements, either for the state's development of this substantial amendment or for the development of funding proposals by units of general local government. The citizen participation pursuant to CDBG-R will be conducted at the state level and must assure that citizens and units of general local government have an opportunity to comment on all proposed activities to be undertaken with these funds. HUD is therefore waiving the provisions of 24 CFR 91.115(e) and 24 CFR 570.486(a). However, states are encouraged to establish alternative procedures for units of general local government that will provide reasonable citizen access to information and participation in the local decision-making process. To facilitate the timely development of states' substantial amendments, HUD is waiving 42 U.S.C. 5306(d)(2)(C)(1)(iv) and 24 CFR 91.110 to the extent necessary to eliminate the requirement that a state must consult with units of local government in determining the expected use of CDBG-R funds.

Pursuant to the overall objectives of the Recovery Act to assure that funds are in communities assisting in economic recovery, HUD is waiving 24 CFR 91.320 (d) and 24 CFR 91.320(k)(1)(i) to the extent necessary to require states to submit a list of activities in lieu of developing a method of distribution.

Substantial amendments to grantees' action plans are not normally approved by HUD, but may be submitted to HUD as they occur or at the end of the program year. 24 CFR 91.505(c) is waived to the extent necessary to require submission of the substantial

amendment to the action plan to HUD for approval in accordance with this notice no later than the deadlines specified in paragraph 4. below.

HUD is waiving provisions of 24 CFR 91.500(b) and (d) to provide for the following modified action plan approval procedures. HUD will review each grantee's submission for completeness and consistency with the purposes of the Cranston-Gonzalez National Affordable Housing Act, the Recovery Act and the requirements of this notice, and will disapprove incomplete or inconsistent action plan amendments. 24 CFR 91.500(d) permits jurisdictions to revise or resubmit a plan within 45 days after written notification of disapproval; it also states that HUD must respond to approve or disapprove the plan within 30 days of receiving the resubmission. HUD will allow revision and resubmission of a disapproved action plan in accordance with 24 CFR 91.500 so long as the resubmission is received by HUD 15 calendar days or less following the date of first disapproval, and any further resubmissions in response to subsequent disapprovals are received no later than close of business on July 20, 2009 for entitlement communities, Insular Areas or non-entitlement counties in Hawaii. The deadline for states is August 13, 2009.

The substantial amendment to the action plan and citizen participation alternative requirement will permit an expedited grant-making process, but one that still provides for public notice, appraisal, examination, and comment on the activities proposed for the use of CDBG-R grant funds.

Requirement

1. General.

- a. Except as described in this notice, statutory and regulatory provisions governing the CDBG program for states, entitlement communities, Insular Areas, and non-entitlement

counties in Hawaii, as applicable, shall apply to the use of these funds. Non-entitlement counties in the state of Hawaii and Insular Areas should follow the requirements for entitlement communities.

b. To receive its grant allocation, a grantee must submit to HUD, by the deadlines in paragraph 4. below, a substantial amendment to its PY2008 action plan, in accordance with the consolidated plan procedures for a substantial amendment under the annual CDBG program as modified by this notice, or HUD may cancel the entire amount allocated for that grantee and reallocate the funds. 24 CFR 91.505(c) is waived to the extent necessary to require submission of the substantial amendment to HUD for approval.

c. 24 CFR 91.500(b) and (d) are waived to the extent necessary to implement alternative procedures for HUD review and approval of grantees' action plan amendments. In addition to the criteria in 24 CFR 91.500(b), HUD may disapprove a plan if it is inconsistent with the requirements of the Recovery Act or the requirements of this notice. HUD may disapprove a plan if it determines that the description of activities, as required in paragraphs 2.a. and 2.b. below, does not adequately describe how an activity will address the Recovery Act. This alternative requirement will allow revision and resubmission of a disapproved action plan in accordance with 24 CFR 91.500(d) so long as the first resubmission is received by HUD 15 calendar days or less following the date of first disapproval, and any further resubmissions in response to subsequent disapprovals are received no later than close of business on July 20, 2009 for entitlement communities, Insular Areas or non-entitlement counties in Hawaii. The deadline for states is August 13, 2009.

- d. After HUD processes and approves the plan amendment and both HUD and the grantee have signed the grant agreement, HUD will establish the grantee's line of credit in the amount of the grantee's CDBG-R funds included in the action plan amendment.

2. Contents of a CDBG-R Action Plan Substantial Amendment.

- a. The required elements in the CDBG-R substantial amendment to the annual action plan for entitlement communities, Insular Areas, and non-entitlement counties in Hawaii are:

- i. Pursuant to 24 CFR 91.220(d), (e) and (l), a description of the activities the jurisdiction will undertake with these funds to address priority needs and objectives. 24 CFR 91.220(l)(ii) is waived. The grantee shall instead identify any other Recovery Act funding to be used in conjunction with each activity and total activity budget from all funding sources. In addition, grantees must provide information concerning CDBG-R assisted activities in an electronic spreadsheet provided by HUD. The information that must be reported in the spreadsheet includes activity name, activity description, CDBG-R dollar amount budgeted, eligibility category, national objective citation, additional Recovery Act funds for the activity received from other programs, and total activity budget. An electronic copy of the spreadsheet and the format will be available on HUD's recovery website at <http://www.hud.gov/recovery>. Grantees must include a paper copy of the spreadsheet in their substantial amendment and must submit an electronic version of the completed spreadsheet to CDBG-R@hud.gov.
- ii. A description of how the distribution and uses of the grantee's CDBG-R funds will meet the requirements of Title XII of Division A and Section 1602 of the Recovery Act: that, in selecting projects to be funded, recipients shall give

- priority to projects that can award contracts based on bids within 120 calendar days from the date the funds are made available to the recipients; and that for CDBG-R funds being used for infrastructure investments, recipients shall give preference to activities that can be started and completed expeditiously, including a goal of using at least 50 percent of the funds for activities that can be initiated not later than 120 calendar days after February 17, 2009.
- iii. For each activity, a written description of how the use of CDBG-R funds for the activity will maximize job creation and economic benefit in relation to the CDBG-R funds obligated, and will address the Recovery Act, by:
 - (A) Preserving and creating jobs and promoting economic recovery;
 - (B) Assisting those most impacted by the recession;
 - (C) Providing investment needed to increase economic efficiency;
 - (D) Investing in transportation, environmental protection, or other infrastructure that will provide long-term economic benefits;
 - (E) Minimizing or avoiding reductions in essential services; or
 - (F) Fostering energy independence.
 - iv. For each activity, the number of full- and part-time jobs estimated to be created and retained by the activity (including permanent, construction and temporary jobs).
 - v. A description of the activities that will be carried out with CDBG-R funds that promote energy conservation, smart growth, green building technologies, or reduced pollution emissions.
 - vi. Information on how to contact grantee program administrators, so that citizens and other interested parties know who to contact for additional information.

- vii. A signed standard federal form SF-424, and signed certifications as specified in section II.H. of this notice.
- b. The required elements in the CDBG-R substantial amendment to the annual action plan required for States are:
 - i. A description of the activities that will be undertaken with these funds to address priority needs and objectives, and outcome measures pursuant to 24 CFR 91.320(c).

The grantee shall identify any other Recovery Act funding to be used in conjunction with each activity and total activity budget from all funding sources. In addition, grantees must provide information concerning CDBG-R assisted activities in an electronic spreadsheet provided by HUD. The information that must be reported in the spreadsheet includes activity name, activity description, CDBG-R dollar amount budgeted, eligibility category, national objective citation, additional Recovery Act funds for the activity received from other programs, and total activity budget. An electronic copy of the spreadsheet and the format will be available on HUD's recovery website at <http://www.hud.gov/recovery>. Grantees must include a paper copy of the spreadsheet in their substantial amendment and must submit an electronic version of the completed spreadsheet to CDBG-R@hud.gov. HUD waives 24 CFR 91.320(d) and 24 CFR 91.320(k)(1)(i) to the extent necessary to require states to provide a list of activities it intends to fund with the CDBG-R allocation.
 - ii. A description of how the distribution and uses of the grantee's CDBG-R funds will meet the requirements of Title XII of Division A and Section 1602 of the Recovery Act: that, in selecting projects to be funded, recipients shall give priority to projects that can award contracts based on bids within 120 days from the date the funds are

made available to the recipients; and that for CDBG-R funds being used for infrastructure investments, recipients shall give preference to activities that can be started and completed expeditiously, including a goal of using at least 50 percent of the funds for activities that can be initiated not later than 120 calendar days after February 17, 2009.

iii. For each activity, a written description of how the use of CDBG-R funds for the activity will maximize job creation and economic benefit in relation to the CDBG-R funds obligated, and will address the Recovery Act, by:

- (A) Preserving and creating jobs and promoting economic recovery;
- (B) Assisting those most impacted by the recession;
- (C) Providing investment needed to increase economic efficiency;
- (D) Investing in transportation, environmental protection, or other infrastructure that will provide long-term economic benefits;
- (E) Minimizing or avoiding reductions in essential services; or
- (F) Fostering energy independence.

iv. For each activity, the number of full- and part-time jobs estimated to be created and retained by the activity, which will include permanent, construction and temporary jobs.

v. A description of activities that will be carried out with CDBG-R funds to promote energy conservation, smart growth, green building techniques or reduced pollution emissions.

vi. Information on how to contact grantee or unit of general local government program administrators so that citizens and other interested parties will know who

to contact for additional information.

- vii. A signed standard federal form SF-424, and signed certifications as specified in section II.H. of this notice.

3. Citizen Participation Alternative Requirement. HUD is providing an alternative requirement to 42 U.S.C. 5304(a)(2) and (3), to expedite distribution of grant funds and to provide for expedited citizen participation for the CDBG-R substantial amendment. Provisions of 24 CFR 570.302, 24 CFR 570.486(a), 24 CFR 91.105(k) and 91.115(i), with respect to following the citizen participation plan, are waived to the extent necessary to allow implementation of the requirements below. In addition, for States, 24 CFR 91.110 is waived to the extent necessary to eliminate the requirement that a state must consult with units of local government in determining the state's method of distribution in its substantial amendment.

- a. 24 CFR 91.105(k) and 24 CFR 91.115(i) are being waived to specify that the grantee will provide no fewer than 7 calendar days for citizen comment (rather than 30 days) for its CDBG-R substantial amendment. At the time of submission to HUD, each grantee will post its action plan amendment and any subsequent CDBG-R amendments on its official website along with a summary of citizen comments received within the 7-day comment period. HUD encourages the grantee to make copies of the substantial amendment available in public places such as libraries and government buildings. In addition, the grantee must ensure that non-English speaking persons and persons with disabilities have access to copies of substantial amendments.

- b. The regulation at 24 CFR 91.505(c)(1) states that a grantee may submit a copy of an amendment to its action plan to HUD as it occurs or at the end of the program year. 24 CFR

91.505 is waived to require each grantee to submit the substantial amendment to its action plan for CDBG-R funds no later than the deadlines specified in paragraph 4. below.

4. Submission Deadlines. Except as otherwise provided in this paragraph, entitlement grantees, Insular areas and non-entitlement counties in Hawaii are to submit their substantial amendments to their 2008 action plans to their HUD field office by June 5, 2009. States are to submit the substantial amendments to their PY2008 action plans to their HUD field office by June 29, 2009. The deadline for the substantial amendment for HPRP is May 18, 2009; therefore, grantees that wish to submit a single substantial amendment for both programs must do so by May 18, 2009.

Any grantee that will be submitting its program year 2009 action plan between the date of this notice and June 5, 2009, may wish to consider ways in which it can combine the citizen participation and submission steps for its CDBG-R substantial amendment with those for its 2009 action plan. Any entitlement grantee or non-entitlement county in Hawaii with a program year start date of July 1 or earlier, and which has not yet submitted its program year 2009 action plan to its field office as of the date of this notice, may submit its CDBG-R substantial amendment to its 2008 action plan simultaneously with the submission of its program year 2009 action plan. However, in no case can such an entitlement grantee or non-entitlement county in Hawaii submit its CDBG-R action plan amendment later than June 5, 2009. States that submit their substantial amendment to 2008 action plans by June 29, 2009, will need to submit the 2009 action plan by its original deadline. However, the abbreviated citizen participation process provided in this notice applies only to CDBG-R substantial amendments, not to the submission of program year 2009 action plans. Existing regulatory citizen participation requirements continue to apply to action plans submitted for regular

CDBG funding, even if a grantee wishes to submit its CDBG-R substantial amendment simultaneously with its program year 2009 action plan.

A grantee's failure to meet the submission deadlines for CDBG-R, as applicable, may constitute grounds for the Department to cancel the grantee's CDBG-R funding allocation pursuant to the provisions of section I.B. of this notice.

5. Program Design Considerations

Although the Recovery Act applies additional or alternative requirements upon CDBG-R funding that do not exist in the regular CDBG program, this additional appropriation is otherwise subject to all regular CDBG program requirements. HUD has minimized the number of additional changes between CDBG-R and regular CDBG program requirements, to maximize grantees' flexibility in administering these funds. The Recovery Act also contains language which, while not stating explicit mandates, makes clear that Congress intends the use of Recovery Act appropriations to be targeted to address current economic conditions. For example, Section 1602 of the Recovery Act states that, "Recipients shall also use grant funds in a manner that maximizes job creation and economic benefit." While grantees have the full range of CDBG eligible activities at their disposal for CDBG-R, Congress clearly intends that CDBG-R funds should primarily be invested in economic development, housing, infrastructure and other public facilities activities that will quickly spur further economic investment, increased energy efficiency, and job creation or retention. In selecting activities for CDBG-R funding, grantees should keep in mind that some eligible activities under the Housing and Community Development Act are unlikely to substantively address the intent of the Recovery Act.

At the same time, the broad purpose language of the Recovery Act does not expand the list of eligible activities beyond those specified by the Housing and Community Development Act. Some uses of funds suggested by the Recovery Act's broad purpose language do not necessarily fit into any CDBG eligible activity category, and may not be eligible for CDBG-R funding. However, HUD has determined that the purpose language and overall intent of the Act, particularly regarding local fiscal stabilization, supersedes the requirement at 42 U.S.C. 5301(c) that CDBG funding not be used to substantially replace the amount of local financial support previously provided to community development activities.

The Recovery Act also makes clear that grantees are to identify projects that can achieve the Recovery Act purposes AND can be quickly implemented. Language at Title XII of Division A of the Recovery Act, which appropriates the CDBG-R funds, states that, "...in selecting projects to be funded, recipients shall give priority to projects that can award contracts based on bids within 120 days from the date the funds are made available to the recipients." Section 1602 of the Recovery Act further states, "In using funds made available in this Act for infrastructure investment, recipients shall give preference to activities that can be started and completed expeditiously, including a goal of using at least 50 percent of the funds for activities that can be initiated not later than 120 days after the date of the enactment of this Act."

Grantees should not assume that their normal CDBG funding distribution procedures can meet the goals for obligation of funds described above. For example, if a grantee's existing activity selection process mandates a lengthy Request For Proposals, lengthy procurement actions, or other process that would take months to produce funding recommendations, grantees should explore what local waiver authority or emergency

procedures they can implement to expedite the process. This may particularly be necessary with some states, for which deviations from existing procedures could require state rule-making. Some Urban County funding procedures that distribute funds on a proportional basis among all participating jurisdictions could result in funding awards that are too small to be used expeditiously and productively by the participating jurisdictions.

Grantees may have already identified activities that were approved to receive funding out of the grantee's FY2009 funding allocation. Grantees should consider whether any of these activities meet the additional CDBG-R requirements, and if so, whether their implementation schedules could be accelerated so that they could instead be funded with CDBG-R funds. However, moving an activity from a grantee's 2008 or 2009 program year regular CDBG program to the CDBG-R program, and replacing that moved activity with a new activity, would trigger a substantial amendment to a grantee's already-approved 2008 or 2009 action plan. This would trigger additional citizen participation requirements beyond those required for the CDBG-R substantial amendment.

States should consider whether their existing method of distribution processes can be employed to fund worthwhile activities that fell below the funding cut-off line from their program year 2008 distribution process, or to fund applications already submitted for their program year 2009 distribution process.

HUD encourages grantees to use CDBG-R funds for discrete, stand-alone activities whenever possible. As noted elsewhere in this notice, final guidance on reporting requirements and applicability of the Davis-Bacon Wage Rate Act has not yet been issued. Amending a construction contract to add CDBG-R funding to an existing project (particularly one that is not otherwise federally funded) may subject the entire project to

Recovery Act reporting and other compliance requirements. Grantees should also avoid using CDBG-R funds to initiate a new project that cannot be completed within the expenditure deadline for the CDBG-R program or that will require the commitment of future years' allocations of regular CDBG funds.

However, HUD recognizes that the additional increment of CDBG-R funding may not be enough for some grantees to fully fund a new activity. (The amount of additional funding allocated to grantees equals about 27 percent of their FY2008 regular CDBG allocation.) Grantees should consider whether it is possible to issue a new contract to use CDBG-R funds to fund an additional increment of work or services beyond that which is already under contract or otherwise underway. For example:

- A grantee may have performed engineering and environmental review work on a project to replace sanitary sewers, but scaled back the project before awarding a construction contract due to funding constraints. Because engineering work has already been done, it may be time- or cost-effective for the grantee to issue a separate construction contract for the blocks of sewers that were excluded from the existing contract.
- A grantee may use CDBG-R funds to finance the rehabilitation of several apartment buildings that are on the waiting list for assistance under the grantee's CDBG rental housing rehabilitation loan program.
- A grantee might consider physical improvements to a water treatment plant that will reduce the energy costs of the plant's operations or will conserve water resources.
- A grantee that had to pare back funding for an activity (compared to the subrecipient's original funding request or prior levels of service) might execute a subrecipient agreement to provide CDBG-R funds that will restore the activity to "full funding" levels.

CDBG-R funding will be tracked separately from a grantee's regular CDBG funding in the Integrated Disbursement and Information System (IDIS), will have separate funding contract language, and will have a different grant number from a grantee's regular CDBG funding. Grantees are cautioned against commingling regular CDBG and CDBG-R funds. However, this does not prevent a grantee from using CDBG-R funding in conjunction with an existing activity funded with regular CDBG funds, where the additional funding will be covered under a new contract or subrecipient agreement. Grantees will need to set up this additional increment of funding as a separate activity in IDIS.

Grantees who wish to use CDBG-R funds to expand an ongoing or already-under-construction project should keep the following additional considerations in mind.

Environmental review procedures: HUD legislation and regulations (24 CFR 58.22) prohibit CDBG grantees and any party to the development process from committing HUD or non-HUD assistance to a project until the environmental compliance review process has been successfully completed. In adding CDBG-R funds to an existing project, grantees must carefully consider the implications of the Part 58 definition of a commitment of federal funds. No new environmental review is required when a CDBG-R project has been reviewed previously by the same responsible entity, no change to the project activities or location or size results from additional funding, and no new environmental conditions have been discovered. HUD regulations and law prohibit the commitment of HUD and non HUD assistance to a project until the environmental compliance review is successfully completed. Therefore, because Recovery Act projects must expend their CDBG-R funds in such a short timeframe, it is very important to begin and complete your environmental compliance review as soon as possible. Grantees are urged to contact their Field Environmental Officer, and to

visit the HUD environmental website for more detailed information on environmental clearance: <http://www.hud.gov/offices/cpd/energyenviron/environment/compliance/qa/clearance.cfm>

Labor Standards applicability: HUD will issue guidance concerning the applicability of prevailing wage requirements at a later date. For more information about the federal labor standards requirements in HUD programs, please visit the Office of Labor Relations website at www.hud.gov/offices/olr.

B. Reimbursement for Pre-Award Costs

Background

CDBG-R grantees will need to move forward rapidly to prepare the CDBG-R substantial amendment and to undertake other administrative actions, including environmental reviews. Therefore, HUD is granting permission to states and entitlement jurisdictions receiving a direct allocation of CDBG-R funds to incur pre-award costs associated with the development of the substantial amendment to the action plan as if each was a new grantee preparing to receive its first allocation of CDBG funds.

Grantees may also take advantage of the provisions of 24 CFR 570.200(h) regarding activity-specific pre-award costs. Grantees may incur costs prior to grant award for specific activities, as of the date the grantee submits its CDBG-R action plan substantial amendment to HUD. Where a grantee amends an existing construction contract or issues a new contract in order to use CDBG-R funding to expand an existing activity, the date on which the CDBG-R costs are considered incurred for purposes of 24 CFR 570.200(h) will generally be the date of the new or amended contract, not the date that funds were initially obligated for the original project.

A number of entitlement grantees have used the provisions of 24 CFR 570.200(h)(1)(v) to incur pre-award costs against their regular CDBG program, where payments will be made from future years' CDBG allocations. HUD has determined that it is not consistent with the requirements of the Recovery Act to allow CDBG-R funds to be used as payment for pre-award activity costs that grantees incurred under their regular CDBG funds. HUD therefore finds good cause to waive 24 CFR 570.200(h) to the extent necessary to implement this prohibition.

Requirement

24 CFR 570.200(h) is waived to the extent necessary to allow entitlement jurisdictions receiving a direct CDBG-R allocation under this notice to incur pre-award costs as if each was a new grantee preparing to receive its first allocation of CDBG funds. In accordance with OMB Circular A-87, Attachment B, paragraph 31, 24 CFR 570.200(h) is similarly applied to States. A CDBG-R grantee will be allowed to incur costs necessary to develop the CDBG-R substantial amendment to its action plan and undertake other administrative actions necessary to receive its grant, prior to the costs being included in the final plan, and to incur activity-specific costs as of the date the substantial is submitted to HUD, provided that the other conditions of 24 CFR 570.200(h) are met. For units of general local governments funded by a state, 24 CFR 570.489(b) applies unmodified. 24 CFR 570.200(h) is waived to the extent necessary to prohibit a grantee from using CDBG-R funds for reimbursement of pre-award costs incurred against the grantee's regular CDBG funding.

C. Recovery Act Requirements for CDBG-R Expenditures

Title XII of Division A of the Recovery Act requires that in selecting CDBG-R projects to be funded, recipients shall give priority to projects that can award contracts based on bids within 120 calendar days from the date the funds are made available to the recipients.

Section 1602 of the Recovery Act requires that grantees shall use grant funds in a manner that maximizes job creation and economic benefit. Section 1602 also states that, when CDBG-R funds are being used for infrastructure investments, grantees must give preference to activities that can be started and completed expeditiously, including a goal to obligate at least 50 percent of the funds for activities that can be initiated within 120 days of enactment of the Recovery Act.

HUD has defined the term “use” for purposes of these requirements to mean obligation of funds. HUD is adopting the definition of “obligation” as it appears in 24 CFR 85.3 for all grantees, including states, to mean the amount of orders placed, contracts and sub-grants awarded, goods and services received, and similar transactions during a given period that will require payment by the grantee during the same or a future period.

Section 1605 of the Recovery Act requires that all iron, steel and manufactured goods used in construction, alteration, repair, or maintenance of a public building or public work project assisted with funds under the Recovery Act must be produced in the United States, unless the Secretary finds that: the requirement is inconsistent with public interest; those goods are not reasonably available or produced in sufficient quantity in the U.S.; or the use of the goods will increase the project cost by more than 25 percent. Grantees must request a waiver of this provision if, in the process of carrying out an eligible activity, one of these conditions arises. If the Secretary determines that it is necessary to waive this requirement, he must publish in the Federal Register a detailed written justification why the requirement

was waived; therefore, all grantees are expected to adhere to these provisions. These requirements must be applied consistent with U.S. obligations under international agreements. To streamline compliance with the provision of Section 1605 in determining the project cost using American-made materials, grantees may want to consider acquiring two cost estimates with bids: one with only American-made materials and the other with any materials.

Section 1604 of the Recovery Act prohibits CDBG-R funds from being used for any casino or other gambling establishment, aquarium, zoo, golf course, or swimming pool. In applying this prohibition, HUD will interpret the definitions of these terms broadly. This requirement is further discussed in section II.E. of this notice.

Section 1512 of the Recovery Act requires that for each activity carried out with CDBG-R funds, grantees must report on the number of jobs estimated to be created or retained. This reporting requirement applies to all activities, and is unrelated to the reporting of jobs for purposes of meeting the low- and moderate-income benefit national objective requirements. This requirement is further discussed under section II.G of this notice.

As part of the CDBG-R substantial amendment, grantees will be required to submit certifications regarding these requirements.

D. Program Income Requirements

Any program income generated from the use of CDBG-R funds will be treated as program income to the regular CDBG program, not as program income to the CDBG-R program. HUD is waiving a number of statutory and regulatory provisions to implement this requirement, many of which are described in Section F. below. 24 CFR 85.21 and 24 CFR 570.504 (for entitlements) and 24 CFR 570.489(e)(3) and 31 CFR part 205 (for states),

require grantees and subrecipients to disburse program income before requesting additional cash withdrawals of regular CDBG funds from the U.S. Treasury. Those requirements will not apply to the drawdown of CDBG-R funds.

In the regular CDBG program, 24 CFR 570.301(b) provides for float-funded activities and guarantees, a short-term financing mechanism which allows a grantee to use undisbursed funds in its line of credit and CDBG program account that are budgeted in action plans for one or more other activities that do not need the funds immediately. Each activity carried out using the float must meet all CDBG requirements and must be expected to produce program income in an amount at least equal to the amount of float so used. Because program income generated from CDBG-R activities will not be treated as program income to the CDBG-R program, grantees may not use CDBG-R funds to assist any float-funded activity or guarantee. 24 CFR 570.301(b) is therefore waived.

E. Eligibility, Allowable Costs, and National Objective Waivers

Background

Overall low- and moderate-income benefit alternative requirements: The requirement that 70 percent of funds are for activities that benefit low- and moderate-income persons [found at 42 U.S.C. 5301(c), 42 U.S.C. 5304(b)(3)(A), 24 CFR 570.200(a)(3) and 24 CFR 570.484] will apply to the use of CDBG-R funds. A grantee must ensure that 70 percent of its CDBG-R grant be expended for activities that benefit low- and moderate-income persons. Compliance with the overall benefit requirement must be demonstrated separately for the CDBG-R grant and not in combination with regular CDBG funding or commitments under the Section 108 Loan Guarantee program; thus, there is no option for selecting the timeframe for compliance.

Urgent need national objective criteria: In the regular CDBG program, to meet the urgent need national objective pursuant to 24 CFR 570.208(c) and 24 CFR 570.483(d), the recipient must certify: that the activity is designed to alleviate existing conditions which pose a serious and immediate threat to the health and welfare of the community which are of recent origin or recently became urgent, that the recipient is unable to finance the activity on its own, and that other sources of funds are not available. In the regular State CDBG program, the local government provides this certification and the State makes the determination of the same. For CDBG-R, HUD is eliminating the recordkeeping requirement that grantees document the nature, degree and timing of seriousness of the condition to be addressed by the activity if the urgent need is based on current economic conditions. HUD will accept a grantee's certification that current economic conditions are of recent origin and constitute a serious and immediate threat to the welfare of the community. However, the grantee must still demonstrate that it is unable to finance the activity on its own, and that other sources of funding are not available. For the State CDBG program, states may make this certification on behalf of units of general local government.

Limitations on public services activities: In the regular CDBG program, entitlement grantees are permitted to obligate no more than 15 percent of their annual CDBG allocation plus 15 percent of the prior program year's program income for public service activities. States are permitted to expend no more than 15 percent of each annual CDBG allocation plus program income for public service activities. HUD is providing an alternative requirement because there will be no program income attributed to CDBG-R, and because CDBG-R is to be treated as a separate appropriation of funds. Compliance with the public service cap must be demonstrated separately based on each grantee's total CDBG- R grant allocation and not

in combination with its regular CDBG funding or program income. For both states and entitlements, compliance will be demonstrated based on expenditures of CDBG-R funds, not on obligations as in the regular CDBG entitlement program. HUD is waiving 42 U.S.C. 5305(a)(8) to exclude program income from the amount of funds on which the cap is based. Other provisions of that section remain in place.

Limitations on planning and general administration activities: Pursuant to 24 CFR 570.200(g), in the regular CDBG program, a CDBG entitlement grantee is permitted to obligate no more than 20 percent of its annual CDBG allocation plus program income for planning and administrative costs as defined in 24 CFR 570.205 and 24 CFR 570.206. Pursuant to 24 CFR 570.489(a)(3), a state and its funded units of general local government are, in aggregate, permitted to expend no more than 20 percent of the state's annual grant plus program income for planning and administrative costs as defined at 42 U.S.C. 5305(a)(12), 5305(a)(13) and 5306(d)(3). HUD is providing an alternative requirement because there will be no program income attributed to CDBG-R, and because CDBG-R is to be treated as a separate appropriation of funds. Compliance with the planning and administration costs cap must be demonstrated separately based on each grantee's total CDBG- R grant allocation and not in combination with its regular CDBG funding or program income. For CDBG-R, up to 10 percent of a CDBG-R grant directly provided to a jurisdiction (State, entitlement community, Insular Area or non-entitled county in Hawaii) may be used for general administration and planning activities. For all grantees, including states, the 10 percent limitation applies to the grant as a whole. States should note that the 10 percent limitation includes any funds the State expends for technical assistance to units of general local government and non-profit organizations pursuant to 42 U.S.C. 5306(d)(5) and

(6). Consistent with Recovery Act provisions to expedite the use of CDBG-R funds, HUD is waiving the requirement for matching State administrative funds. Requiring states to match administrative funds may considerably slow down the expenditure of CDBG-R funds in states struggling to stabilize their budgets.

Public benefit standards: In the regular CDBG program, the public benefit standards at 24 CFR 570.209(b), (c) and (d) (for entitlement grantees) and 24 CFR 570.482(f) and (g) (for states) apply to economic development projects under the authority of 24 CFR 570.203, 24 CFR 570.204, 24 CFR 570.208(a)(4)(vi)(F)(2), 24 CFR 570.483(b)(4)(vi)(F)(2), and 42 U.S.C. 5305(a)(2), (14), (15), or (17), respectively. HUD is waiving portions of these regulations to expedite the timely use of funds by grantees. HUD will presume that activities that meet the requirements and Congressional intent of the Recovery Act provide sufficient public benefit. Grantees are still encouraged to provide economic assistance at the lowest possible cost per job, or cost per low- and moderate-income beneficiary.

Activities identified in these regulations as providing insufficient public benefit remain ineligible for CDBG-R funding: general promotion of the community as a whole; assistance to professional sports teams; assistance to privately-owned recreational facilities that serve a predominantly higher-income clientele, where the recreational benefit to users or members clearly outweighs employment or other benefits to low- and moderate-income persons; acquisition of land for which the specific proposed use has not yet been identified; and assistance to a for-profit business while that business or any other business owned by the same person(s) or entity(ies) is the subject of unresolved findings of noncompliance relating to previous CDBG assistance provided by the recipient. (Those ineligible activities are in

addition to those which the Recovery Act specifically prohibits: casinos, other gambling establishments, aquariums, zoos, golf courses, or swimming pools.) Furthermore, HUD is not waiving the provisions of 24 CFR 570.209(a) (for entitlement grantees) and 24 CFR 570.482(e) (for states) regarding underwriting guidelines.

Relationship of CDBG-R to the Section 108 Loan Guarantee program: In the Section 108 program, 24 CFR 570.705(a)(2)(i) permits a CDBG grantee to borrow an amount of up to five times of its most recent CDBG grant for a Section 108 loan. 24 CFR 570.705(b) permits CDBG funds to be used as a pledge of security for the repayment of Section 108 loans. 24 CFR 570.705(c) permits the use of CDBG funds to repay funds borrowed under the Section 108 program. The Section 108 program is intended to provide longer-term project financing and requires a pledge of CDBG future funds over the life of the loan guarantee, whereas CDBG-R is a one-time appropriation of funds of limited duration. CDBG-R funds may not be used as a pledge of security for the repayment of Section 108 loans, may not be used to securitize borrowing under the Section 108 program, may not be used as repayment for funds borrowed under the Section 108 program, and may not be counted toward a grantee's maximum Section 108 borrowing authority.

Requirements

1. 42 U.S.C. 5304(b)(3)(A), 24 CFR 570.200(a)(3) and 24 CFR 570.484 are waived to the extent necessary to require that CDBG-R funds shall principally benefit persons of low and moderate income in a manner that ensures that not less than 70 percent of such funds are used for activities that benefit such persons, exclusive of any other funds received by the

grantee under 42 U.S.C. 5306 or as a result of a guarantee or a grant under 42 U.S.C. 5308.

A grantee must meet this requirement over the life of its CDBG-R grant.

2. 24 CFR 570.506(b)(12)(i) and (iii) are waived, and 24 CFR 570.208(c), 24 CFR 570.483(d), and 24 CFR 570.490(a) and (b) are waived to the extent necessary to allow grantees to certify that an activity is designed to address current economic conditions which pose a serious and immediate threat to the welfare of the community. HUD has determined that current economic conditions are of recent origin and pose a serious and immediate threat to the economic welfare of communities. States may provide this certification on behalf of units of general local government. Grantees must maintain other documentation specified in these regulations.

3. 42 U.S.C. 5306(a)(8), 24 CFR 570.201(e)(1) and 24 CFR 570.201(e)(2) are waived to the extent necessary to require that no more than 15 percent of CDBG-R funds shall be expended for eligible public service activities, exclusive of any other funds received by the grantee under 42 U.S.C. 5306. A grantee must meet this requirement over the life of this grant.

4. 42 U.S.C. 5306(d)(3), (5) and (6), 24 CFR 570.200(g) and 24 CFR 570.489(a) are waived to the extent necessary to establish the following requirement: No more than 10 percent of CDBG-R funds shall be expended for eligible planning and general administration activities as defined in 42 U.S.C. 5305(a)(12), 5305(a)(13) and 5306(d)(3), and in 24 CFR 570.205 and 24 CFR 570.206, exclusive of any other funds received by the grantee under 42 U.S.C. 5306. For states, this 10 percent limitation includes technical assistance eligible under 42 U.S.C. 5306(d)(5) and (6). A grantee must meet this requirement over the life of this grant. For states, this requirement applies in total to the state and all entities it funds.

5. The requirements at 42 U.S.C. 5306(d)(3)(A) and 24 CFR 570.489(a) are waived to the extent necessary to eliminate the state match requirement for general administrative costs.
6. 42 U.S.C. 5305(e)(3), 24 CFR 570.209, 24 CFR 570.482(f), 24 CFR 570.490(a) and 24 CFR 570.506(c) are waived to the extent necessary to permit grantees to carry out economic development projects without meeting the public benefit standards, except that 24 CFR 570.209(b)(3)(ii)(A) through (E) and 24 CFR 570.482(f)(4)(ii)(A) through (E) are not waived.
7. 42 U.S.C. 5308 and Subpart M of 24 CFR Part 570 are waived to the extent that they are not applicable to the use of CDBG-R funds.
8. Uses of grant funds must constitute an eligible use under the Recovery Act. In addition to being an eligible CDBG-R use of funds, each activity funded under this notice must also be eligible under 42 U.S.C. 5305(a) and Subparts C and I of Part 570, and meet a CDBG national objective under Subparts C and I of Part 570, as modified by this notice. Activities not listed as eligible under 42 U.S.C. 5305(a), and activities that are specifically listed as ineligible under 24 CFR 570.207 and 24 CFR 570.482, are ineligible for CDBG-R funding. The last sentence of 42 U.S.C. 5301(c) is waived.
9. Pursuant to Section 1604 of the Recovery Act, CDBG-R funds may not be used for any casino or other gambling establishment, aquarium, zoo, golf course, or swimming pool.

F. Timeliness of Use and expenditure of CDBG-R funds

Background

In accordance with the Recovery Act, HUD has imposed a grant period and expenditure deadline of September 30, 2012, to ensure that the use of CDBG-R funds is expedited. To that end, HUD has waived a number of regulatory and statutory provisions.

The timely expenditure regulatory requirements for the entitlement CDBG program will not apply to CDBG-R funds. These funds will not be included in determining compliance with the requirements of 24 CFR 570.902. However, income generated from CDBG-R activities will be treated as program income to grantees' regular CDBG program, and thus will be included in timely expenditure compliance determinations. In selecting and designing activities for CDBG-R funding, grantees should consider the indirect effects on their compliance with the timely expenditure requirements for their regular CDBG funding. The timely distribution regulatory requirements for states will not apply to CDBG-R funds.

Requirement

The timely distribution or expenditure requirements of 42 U.S.C. 5304(e) and 24 CFR 570.494 and 570.902 are waived to the extent necessary to allow the following alternative requirement: All CDBG-R grantees must expend their entire allocation of CDBG-R funds by September 30, 2012. Any funds not expended by September 30, 2012, will be recaptured by HUD and returned to the U.S. Treasury.

G. Reporting

Background

HUD requires timely and accurate reporting on each CDBG-R grant in IDIS. HUD will use the information from IDIS to exercise oversight for compliance with the requirements of this notice and for prevention of fraud, waste, and abuse of funds. The Recovery Act imposes greater (and more frequent) reporting requirements than those that apply to grantees' regular CDBG funding.

Section 1512 of the Recovery Act requires that not later than 10 days after the end of each calendar quarter, each recipient that received recovery funds from a federal agency shall

submit a report to that agency that contains: (1) the total amount of recovery funds received from that agency; (2) the amount of recovery funds received that were expended or obligated to projects or activities; and (3) a detailed list of all projects or activities for which recovery funds were expended or obligated, including the name of the project or activity; a description of the project or activity; an evaluation of the completion status of the project or activity; an estimate of the number of jobs created and the number of jobs retained by the project or activity; and for infrastructure investments made by State and local governments, the purpose, total cost, and rationale of the agency for funding the infrastructure investment with funds made available under the Recovery Act and name of the person to contact at the agency if there are concerns with the infrastructure investment. Not later than 30 calendar days after the end of each calendar quarter, each agency that made Recovery Act funds available to any recipient shall make the information in reports submitted publicly available by posting the information on a website.

Grantees' agreements with subrecipients or units of general local government must contain a special contract condition requiring them to comply with the reporting requirements established for CDBG-R funding. All grantees, subrecipients and contractors desiring to participate in the CDBG-R program must obtain a Data Universal Numbering System (DUNS) number. A DUNS number may be requested via the web at: http://www.grants.gov/applicants/request_duns_number.jsp. HUD will post guidance on its website regarding how to obtain a DUNS number.

Title XV, Section 1512 of the Recovery Act states that funding recipients that are required to report information per subsection (c)(4) of the Recovery Act (detailed information on any subcontracts or subgrants awarded by the recipient to include the data

elements required to comply with the Federal Funding Accountability and Transparency Act of 2006 allowing aggregate reporting on awards below \$25,000 or to individuals) must register with the Central Contractor Registration (CCR) database. CCR is the primary registrant database for the U.S. Federal government. CCR collects, validates, stores, and disseminates data in support of agency acquisition missions. Registration information on the CCR website can be found at <http://www.ccr.gov/startregistration.aspx>. A CCR User Account Guide can be found at <http://www.ccr.gov/doc/UserAccount.pdf>. CCR frequently asked questions can be found at <http://www.ccr.gov/FAQ.aspx#accounts>.

Additional information regarding subrecipients, other organizations, and contractors receiving CDBG-R funding will also be required to comply with the Federal Funding Accountability and Transparency Act of 2006 (Public Law 109–282) and to ensure accountability and transparency as cited in Title XV of the Recovery Act. This may include, but is not limited to, address and contact information as well as more detailed information about the entity and its award under this activity.

The regular CDBG reporting requirements as well as the additional CDBG-R reporting requirements will be strictly enforced. HUD reserves the right to restrict access to grantees' CDBG-R funds for delinquent, incomplete, or inaccurate reporting. Each CDBG-R activity, regardless of eligibility category and national objective, will not only report on the regular CDBG accomplishments and performance measures for that activity but also on the number of jobs created and retained, if applicable. (Grantees should note that this jobs reporting requirement applies to all activities and has nothing to do with low- and moderate-income benefit national objective compliance based on job creation or retention.)

The Recovery imposes additional reporting requirements including, but not limited to, information on the environmental review process, the expected completion of the activity, the type of activity, and the location of the activity. The Department has not yet determined how these reporting requirements will be implemented. HUD will establish and disseminate reporting requirements for CDBG-R assisted activities at a later date.

To collect these data elements and to meet its reporting requirements, HUD is requiring each grantee to report on its CDBG-R funds to HUD using IDIS.

Requirements

1. Performance report alternative requirement. The Secretary may specify the form and timing of reports provided by the grantee under both 42 U.S.C. 5304(e) (the HCD Act) and 42 U.S.C. 12708 (NAHA). Therefore, the consolidated plan regulation at 24 CFR 91.520 is waived and the alternative reporting form and timing for the CDBG-R funds is that:
 - a. For infrastructure investments made by State and local governments, report the purpose, total cost, and rationale of the agency for funding the infrastructure investment with funds made available under this Act and name of the person to contact at the agency if there are concerns with the infrastructure investment.
 - b. Provide detailed information on any subcontracts or subgrants awarded by the recipient to include the data elements required to comply with the Federal Funding Accountability and Transparency Act of 2006 (Public Law 109–282), allowing aggregate reporting on awards below \$25,000 or to individuals, as prescribed by the Director of the Office of Management and Budget.
 - c. Information must be submitted using HUD’s IDIS system. Pursuant to Section 1512 of the Recovery Act, grantees must enter the data into IDIS on a quarterly basis for generation of

reports by HUD or other entities. 24 CFR 570.495 and 24 CFR 570.910 are waived to the extent necessary to allow HUD to restrict access to funds in IDIS for any grantee that fails to fully comply with CDBG-R reporting requirements.

d. Throughout 24 CFR parts 91 and 570, all references to “annual” requirements such as submission of plans and reports are waived to the extent necessary to allow the provisions of this notice to apply to CDBG-R funds, with no recurring annual requirements other than those related to civil rights and fair housing certifications and requirements.

H. Certifications

Background

Because this is a separate appropriation of funds, the certifications that are required for the CDBG program must also be submitted for the CDBG-R program; they are listed at 24 CFR 91.225 for entitlement communities and 24 CFR 91.325 for States. HUD is waiving the requirements that grantees follow their existing citizen participation plan, and that a state consult with units of general local government in preparation of its substantial amendment. Therefore, HUD is also waiving the certifications associated with these requirements.

HUD is requiring additional certifications in addition to the certifications that are normally required. The additional certifications are tailored to CDBG-R grants. Although the CDBG-R is being implemented as a substantial amendment to the 2008 annual action plan, HUD is requiring submission of this additional set of certifications.

Requirements

Certifications for states and for entitlement communities.

1. Each jurisdiction will sign and submit the certifications at 24 CFR 91.225(a) and (b), or 24 CFR 91.325(a) and (b) as applicable, except that 24 CFR 91.225(b)(1), 24 CFR

91.225(b)(4)(ii), 24 CFR 91.325(b)(1), 91.325(b)(2)(i) and (v), and 24 CFR 91.325(b)(4)(ii) are waived. 24 CFR 91.225(b)(4)(iii) and 24 CFR 91.325(b)(4)(iii) are waived to the extent necessary to eliminate the phrase “including Section 108 loan guarantee funds” from the certifications.

2. Each jurisdiction will also sign and submit the following certifications:

- a. a certification that the jurisdiction will comply with Title XII of Division A of the American Recovery and Reinvestment Act of 2009.
- b. a certification that in selecting projects to be funded, the grantee will give priority to projects that can award contracts based on bids within 120 days from the date the funds are made available to the recipients, and will ensure maximum job creation and economic benefit.
- c. a certification that when CDBG-R funds are being used for infrastructure investments, the grantee will give preference to quick-start and finish activities, including a goal to use at least 50 percent of the funds for activities within 120 days of enactment of the Recovery Act.
- d. a certification that all iron, steel and manufactured goods used in construction, alteration, repair, or maintenance of a public building or public work project assisted with CDBG-R funds under the Recovery Act must be produced in the United States unless the Secretary finds that: (1) the requirement is inconsistent with public interest; (2) those goods are not reasonably available or produced in sufficient quantity in the U.S.; (3) or the use of the goods will increase the project cost by more than 25 percent.
- e. a certification from the Governor, mayor, or other chief executive, as appropriate, that any infrastructure investments have received the full review and vetting required by law and that the chief executive accepts responsibility that the infrastructure investment is an appropriate

use of taxpayer dollars. Alternatively, a grantee's chief elected official may certify that infrastructure investments will receive the full review and vetting required by law and that the chief executive accepts responsibility that the infrastructure investment is an appropriate use of taxpayer dollars.

f. a certification that, for activities carried out with CDBG-R funds using the urgent need national objective where the urgent need is the current economic conditions, the activity is alleviating current economic conditions which pose a threat to the economic welfare of the community in which the activity is being carried out, the recipient is unable to finance the activity on its own, and other sources of funding are not available.

g. a certification stating that the aggregate use of CDBG-R funds shall principally benefit low- and moderate-income families in a manner that ensures that at least 70 percent of the grant is expended for activities that benefit such persons over the life of the CDBG-R grant.

I. Paperwork Reduction Act

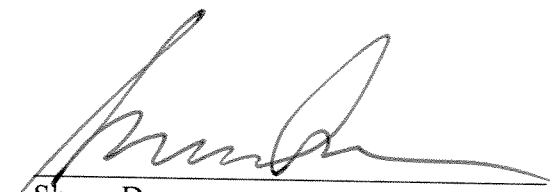
The information collection requirements in this notice have been approved by the Office of Management and Budget (OMB) under the Paperwork Reduction Act of 1995 (44 U.S.C. 3501-3520) and assigned OMB Control Number 2506-0184. In accordance with the Paperwork Reduction Act, HUD may not

conduct or sponsor, and a person is not required to respond to, a collection of information unless the collection displays a currently valid OMB control number.

J. Environmental Impact

A Finding of No Significant Impact (FONSI) with respect to the environment has been made for this issuance in accordance with HUD regulations at 24 CFR part 50, which implement section 102(2)(C) of the National Environmental Policy Act of 1969 (42 U.S.C. 4332(2)(C)). The FONSI is available for public inspection between the hours of 8:00 a.m. and 5:00 p.m. weekdays in the Regulations Division, Office of General Counsel, Room 10276, Department of Housing and Urban Development, 451 Seventh Street, SW, Washington, DC 20410. Due to security measures at the HUD Headquarters building, please schedule an appointment to review the FONSI by calling the Regulations Division at 202-708-3055 (this is not a toll-free number). Individuals with speech or hearing impairments may access this number via TTY by calling the Federal Information Relay Service at (800) 877-8339.

Dated: 5/4/09



Shaun Donovan
Secretary

[FR-5309-N-01]



COMMUNITY DEVELOPMENT COMMISSION
OF THE COUNTY OF LOS ANGELES

